

CITY BUDGET OFFICE


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Dan Ryan, Commissioner
Carmen Rubio, Commissioner
Mingus Mapps, Commissioner
Jo Ann Hardesty, Commissioner
Mary Hull Caballero, Auditor



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CITY OF PORTLAND, OREGON

TO: Mayor Ted Wheeler
Commissioner Dan Ryan
Commissioner Carmen Rubio
Commissioner Mingus Mapps
Commissioner Jo Ann Hardesty
Auditor Mary Hull Caballero

FROM: Jessica Kinard 
City Budget Director

DATE: September 9, 2021

SUBJECT: City Budget Office FY 2021-22 Requested Fall Supplemental Budget

The City Budget Office (CBO) has prepared the following Fall Supplemental Budget. There are no transactional requests included in this submission. The CBO finished FY 2020-21 within 10% of appropriation levels. This supplemental budget request includes:

- Report on Budget Note status
- Prior Year Decision Package status
- Prior Year spending report

The City Budget Office does not have requests for resources in its FY 2021-22 Fall Supplemental Budget. Please do not hesitate to contact me with any questions regarding this submission.

Prior Year Fund Reconciliation Report

City Budget Office

100 - General Fund

EXPENDITURES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Personnel	2,244,377	2,104,523	93.77%
External Materials and Services	313,665	296,090	94.4%
Internal Materials and Services	427,575	397,211	92.9%
TOTAL EXPENDITURES	2,985,617	2,797,823	93.71%

REVENUES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
General Fund Discretionary	1,194,069	0	0%
Interagency Revenue	324,806	285,265	87.83%
General Fund Overhead	1,466,742	0	0%
TOTAL REVENUES	2,985,617	285,265	9.55%

Expenditure Discussion

Expenditures across all three major object categories were within 10% of the Revised FY 2020-21 budget. There were no significant expenses outside of routine business actions for the Budget Office.

Revenue Discussion

The CBO is primarily resourced by General Fund discretionary and overhead funding. The bureau does receive interagency revenue to support staff in the Portland Utility Board program. This interagency agreement charged out 87% of of the expected cost of the program, and there were lower costs due to the citywide decisions to implement furloughs and wage freezes. The interagency agreement with Water Bureau and the Bureau of Environmental Services was not adjusted downward.

Other Notes

Prior Year Fund Reconciliation Report

City Budget Office

227 - Recreational Marijuana Tax Fund

EXPENDITURES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Personnel	10,000	10,000	100%
TOTAL EXPENDITURES	10,000	10,000	100.00%

REVENUES	2020-21 Revised Budget	2020-21 Actuals	Percent of Actuals to Revised
Miscellaneous Fund Allocation	10,000	0	0%
TOTAL REVENUES	10,000	0	0.00%

Expenditure Discussion

The funds supporting CBO were expenses in personnel services.

Revenue Discussion

Fund 227000 provided resources of \$10,000 for fund management services. Revenues were not dispersed at the detailed level for CBO operations.

Other Notes

Bureau Performance Narrative

Several of CBOs key performance measures do not have data to report in the Fall BMP submission, including the status of bureau KPMs trending positively, ending fund balance, and calendar year website views. The CBO annual survey is currently underway with results anticipated by the middle of September. The CBO did not conduct its annual survey in FY 2019-20 given the multiple competing and time sensitive work in preparation for the FY 2020-21 Fall BMP. CBO relies upon data reported from bureaus for asset conditions, the funding gap for major maintenance, and the % of bureau KPMs trending positive. This data will be received by October 2021 and CBOs measures and prior year performance report will be updated accordingly. Of the data available at present, CBO is able to report a significant decline in printed output as compared to FY 2019-20 as consumption of P&D services is down 75% from pre-pandemic levels. Website views of CBO budget analysis is down as well at the end of FY 2020-21. However it is challenging to determine the exact reasons or printing output as some staff members are using in-home printing during the prolonged remote working environment. Data for the supporting of the Portland Utility Board (PUB) shows increased community participation through the prolonged remote conditions brought on by the COVID-19 health crisis.

Key Performance Measures	Measure Type Name	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Target	FY 2020-21 Actuals	FY 2021-22 Target	Strategic Target	Details
BO_0001 Percentage of City KPMs with positive year-over-year results	OUTCOME	39.8%	38.5%	45.0%	N/A	50.0%	60%	As this measure relies on the reporting of key performance measures from across the City, CBO must wait until bureaus submit their Fall BMP materials to calculate the aggregate, citywide percentage of KPMs that have had positive results. CBO will thus update this measure once Fall BMP submissions are complete.
BO_0003 Annual repair, rehabilitation, & replacement funding gap (Citywide)	OUTCOME	\$427,800,000	\$475,000,000	\$513,000,000	N/A	\$513,000,000	0	The annual funding gap increased significantly between 2019 and 2020 from an estimated gap of \$457.0 million per year in 2019 to an estimated gap of \$513 million in 2020. This increase is occurring primarily in the asset condition reports from PBOT and Portland Parks and Recreation. CBO will have complete data in the Fall of 2021 to report actuals in preparation of the FY 2022-23 Budget.

BO_0005	Customer service rating (4 pt scale)	OUTCOME	3.28	N/A	3.40	N/A	3.50	4.00	The CBO will update this measure in mid-September 2021 when the survey data is returned from customer stakeholders. The survey is open for three weeks in late August 2021, into early September as part of information gathering to adjust processes and support in development of the City's supplemental and annual budget processes.
BO_0008	CBO budget process work products website views	OUTPUT	31,326	35,142	50,000	9,562	50,000	90,000	Data in FY 2020-21 for this measure is centered on the CBO budget reviews as the primary work product for website views.
Other Performance Measures		Measure Type Name	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Target	FY 2020-21 Actuals	FY 2021-22 Target	Strategic Target	Details
BO_0009	Citywide asset condition summary	OUTCOME	66%	67%	67%	N/A	67%	90%	Data will be available after all City Bureaus has submitted their data to CBO.
BO_0010	General Fund Excess Ending Balance (forecast accuracy)	OUTCOME	\$11,800,000	\$8,300,000	\$10,000,000	N/A	\$10,000,000	\$10,000,000	Calculation of ending fund balance is available with the completion of the CAFR, currently scheduled for late October 2021
BO_0011	There are no performance measures associated with this program		N/A	0	N/A	0	0	N/A	
BO_0012	Annual number of Portland Utility Board meetings held	WORKLOAD	0	20	12	45	12	18	The PUB held 24 full board meetings, 17 subcommittee meetings, and 4 onboarding meetings, all in a virtual/remote environment in FY 2020-21.

Other Performance Measures	Measure Type Name	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Target	FY 2020-21 Actuals	FY 2021-22 Target	Strategic Target	Details
BO_0013	Number of inquiries about board work from the public	0	32	10	54	18	12	This measure includes all public inquiries received by PUB support, generally in email form.
BO_0014	Percent of PUB members who have received equity training	0	70.0%	100.0%	88.0%	100.0%	100%	Training has been offered to all PUB members, however there have been challenges with the technical support required in the remote environment. The PUB support team is looking to alternative means to deliver the training so it is accessible to all PUB board members.
BO_0015	Net change in printed output when compared to FY 2019-20 output	0	0	-20.0%	-75.0%	-20.0%	-50%	
BO_0016	Number of bureau performance measures using Insights Survey data	0	3	14	N/A	3	21	The Portland Insights Survey did not occur in FY 2020-21 due to the COVID-19 pandemic. New ongoing resources have been added to fund this effort in FY 2021-22.

FY 2020-21 Budget Note Update

City Budget Office

Date of Budget Note: July 1, 2020 in the FY 2020-21 Adopted Budget

Budget Note Title: One-time Waiver of Capital Set-Aside

Budget Note Language:

One of the most critical looming challenges facing the City is our capital asset funding gap, totaling hundreds of millions of dollars and growing. City financial policy dictates that the City's financial plans include investments necessary to manage existing and future capital assets and equipment in order to ensure financial sustainability and continuity of City services across generations. A critical component of this policy is the requirement that at least 50% of one-time General Fund discretionary resources be set aside and allocated for critical capital improvement projects related to emergency preparedness, parks, and transportation. In order to adapt to the sudden, unprecedented decline in resources related to the COVID-19 emergency, the FY 2020-21 Budget waives financial policy and does not allocate the required funding for capital projects in order to preserve jobs and services in the near term. This waiver of this policy should be seen as a one-time occurrence; this Council intends to fully comply with Financial Policy and the allocation of capital set aside resources in the future. Additionally, projects scored in the capital set-aside process shall be affirmatively considered for any eligible funds received from State or Federal stimulus packages.

Summary Status: Complete

Budget Note Update: September 9th, 2021

The FY 2020-21 Adopted Budget redirected resources from the capital set-aside policy reserve account to use as a one-time resource to General Fund program expenses. This action resulted in delayed programming of capital set-aside resources, which resumed with the FY 2021-22 Adopted Budget. There is no further action to report, and the City resumes its practice of dedicated resources to future capital and asset maintenance projects.