



**City
Budget
Office**

Fall Supplemental Budget

CITY BUDGET OFFICE GENERAL FUND ANALYSIS

PREPARED: OCTOBER 2021

New GF Request

Bureau of Emergency Communications | Call Response Software

General Fund Request	Requested	CBO Adjustments	Recommended
Fund Transfers - Revenue	\$91,989	\$0	\$91,989

CBO Analysis

BOEC is requesting funds for a new call processing software that would call back abandoned 9-1-1 calls. This software would also allow citizens to file non-emergency reports which would be reviewed by the Portland Police Bureau to decide whether any follow-up needs to occur or allow the application to provide a case number and provide further guidance. Currently, BOEC employees are required to call back all abandoned phone calls which totaled 12,219 in the month of August and each of those call backs takes on average 2-3 minutes per call and taking call-takers away from answering 9-1-1 emergency calls. There are no future licensing fees associated with this software but there is an annual support fee in the amount of roughly \$2,000 per year.

CBO recommends this package. The overall costs for this package and annual support are a relatively low dollar amount for a potentially high impact tool. CBO recommends that the future support costs for this program need to be absorbed by either the bureaus increase in State 9-1-1 Tax dollars or revenue from user agency contributions and not by the General Fund Discretionary dollars. However, due to the immediate need to decrease call wait times CBO is in support of using one-time General Fund dollars to assist in this effort in the fall supplemental budget.

New GF Request

Bureau of Emergency Communications | Emergency Communication Training Supervisors

General Fund Request	Requested	CBO Adjustments	Recommended
Fund Transfers - Revenue	\$213,610	\$0	\$213,610

CBO Analysis

BOEC is requesting \$267,046 that would be used to hire 2.0 Limited Term Training Supervisors for the bureau's training academies. BOEC has stated that the bureau's plan is to request these positions become ongoing positions during FY 2022-23 budget development. BOEC currently has two Training Supervisors to train all their academies throughout the fiscal year. BOEC's concern is during the times there are multiple academies occurring at the same time. Currently, when this occurs BOEC must pull two Supervisors from their Operations department to assist in training. This reduces the amount of manpower on the Operations floor to take and dispatch calls. Though this request is for Limited Term positions the intent of the bureau is request funding in their requested budget to turn these positions to Full Time positions.

CBO is amenable to one-time General Fund investment to pilot these two positions but if the limited term positions prove to be effective in helping reach staffing goals, CBO recommends the bureau use its substantial increase in State 9-1-1 tax dollars anticipated in FY 2022-23 to fund these positions on an ongoing basis.

New GF Request

Bureau of Planning & Sustainability | Clean Industry Hub Study

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$211,060	\$0	\$0

CBO Analysis

The Bureau of Planning & Sustainability (BPS) is requesting \$211,060 in new one-time General Fund contingency resources to support a study that would explore options for a Clean Industry Hub, in partnership with Prosper Portland. BPS states that a Clean Industry Hub would be a space to develop new technology and clean production practices that benefit Portland industries. This request responds to stakeholder feedback for the City to support existing industry in transition. Requested resources include \$150,000 in materials and services to support a contract for a third party to conduct the study and \$61,060 in personnel services to support a limited term Coordinator II position to oversee the study, convene stakeholders, and develop an implementation plan. The bureau expects that work associated with the Clean Industry Hub will continue into next fiscal year, and notes that it plans to request additional resourcing for the position in the FY 2022-23 budget development process.

The Clean Industry Hub is intended to be a public-private partnership between the City of Portland and several other partners. There are case studies from other jurisdictions that have created clean energy public-private partnership, such as the Los Angeles Cleantech Incubator. Portland's Hub is expected to rely on multiple funding sources, including federal, philanthropic, and capital investments. In addition, the bureau states that if adopted, the City's proposed carbon fee will create a Green Innovation Fund that will also provide direct investment for this project. The carbon fee proposal was released for public comment last year and the bureau continues to work with stakeholders to develop a final proposal to bring to council.

Ultimately, BPS states that implementation of this study would help the City reach its emission reduction goals by providing technical support and innovation for industry to adopt cleaner practices that result in less carbon and other forms of pollution in our community. BPS intends to focus on supporting Portland's manufacturing businesses in decarbonizing their work. CBO agrees that Clean Industry Hub study aligns with City Council's climate goals as identified in the City's Climate Emergency Declaration and Climate Action Plan. However, per City financial policy, General Fund contingency should only be allocated in the Fall Budget Monitoring process for one-time urgent or unforeseen expenses that cannot be absorbed through existing resources. While there is certainly urgency related to the climate crisis, CBO notes that aspects of this request, such as the requested position, are likely to involve multi-year – if not ongoing - costs to the City. Although this request focuses mostly on the exploratory study, there is no current estimate of the total cost of the Hub, or what the City's future or ongoing contributions might be to implement the results from the Clean Industry Hub study. This could result in large unknown future costs to the City of Portland.

Although the Portland Clean Energy Fund (PCEF) grant resources provide a significant new funding stream for climate and sustainability efforts in Portland, the use of these resources is to support community-led initiatives, and the City cannot utilize this resource to internally fund its climate action workplan. To the extent this study is a bureau priority in the current fiscal year, CBO recommends that BPS reprioritize within existing resources to fund the work. Across the bureau, there is currently an approximately 20% vacancy rate in regular positions, which will likely result in vacancy savings this fiscal year. A portion of these savings could be reallocated to this study if allowable given the position funding source. In addition, in recent years the bureau has underspent its General Fund materials and services appropriation. In FY 2020-21, it underspent it by \$898,690 and is only requesting \$488,399 of that amount to be carried over for open purchase orders. CBO also recommends that BPS works with its Commissioner-in-Charge to discuss what level of resources are needed for this project and over how many years and resubmit this request as part of the FY 2022-23 budget development process. This would allow City Council to consider this project alongside other City priorities and requests for new General Fund resources. Alternatively, if this study rises to the level of an urgent Council priority, City Council can choose to support this request in the Fall BMP with the expectation that the requested position will be funded in FY 2022-23 budget development as well.

As previous CBO analysis has stated, there remains a significant unknown funding gap in the City's climate and sustainability work, as BPS has stated it does not have sufficient resources necessary to achieve the actions outlined in the City's Climate Emergency Declaration and no funding source has been identified. Without greater context on the prioritization of different climate efforts and a comprehensive funding strategy, it is challenging for CBO to analyze the merits and tradeoffs associated with requests to fund new climate initiatives, such as the Clean Industry Hub study, with General Fund resources.

New GF Request

Office for Community Technology | Community Engagement and Legislative Specialist

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$88,868	\$0	\$88,868

CBO Analysis

OCT is requesting \$88,868 in one-time General Fund contingency resources to support a 1.0 limited term Analyst III. The position would help in distributing funds, address legislative agenda, deal with Right Of Way (ROW), franchise renewals, and implement the Digital Equity Action Plan as well as other assignments supporting OCT programs. CBO notes that the bureau originally requested this position as a permanent position, which does not meet City financial policy as there are no ongoing General Fund resources available during the BMP, bureaus may only create new permanent positions by reallocating existing discretionary resources. If the bureau receives these funds, they are likely to request the position become ongoing in future budget cycles. Currently, OCT has 3 vacancies in addition to one of its two managers on extended leave.

An estimate of the bureau's current vacancy savings is roughly \$100,000. CBO has recommended that the bureau absorb a request for \$20,000 for assessment costs. Although the bureau may be able to absorb the estimated cost of a position for this work, CBO is recommending one-time resources to ensure that the bureau is able to plan for and adequately staff critical work related to Council investments. Given that the bureau has experienced significant extended vacancies since becoming an independent bureau in FY 2018-19 and may be shifting its organizational structure as a result of the assessment described above, CBO recommends that instead of hiring a new limited term FTE that could result in ongoing costs, OCT should use one time funding for contracted assistance or temporary assistance from administrative staff within a larger City bureau. CBO is recommending one time spending through a contractor or another City bureau to assist in unforeseen and urgent needs that would help OCT better assist the community in a time sensitive manner as opposed to going through a full recruitment process for a new position.

New GF Request

Office for Community Technology | OCT Assessment

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$20,000	\$0	\$0

CBO Analysis

OCT requested \$20,000 in General Fund one-time contingency resources to support an assessment to analyze and review the City of Portland's utility management, with the intent to prepare for any internal changes that OCT might need to request in their FY 2022-23 budget development. Several bureaus put forward requests under \$25,000 for one-time General Fund contingency resources in the Fall BMP. Since it is early in the fiscal year, bureaus can typically absorb this level of cost and CBO generally recommends that bureaus look to underspending as a source before requesting General Fund contingency resources. While CBO notes the importance of this type of assessment, it is not clear how this request was unforeseen as OCT has routinely undergone these assessments in the past. The bureau has some current vacancies and has historically had underspending in external materials and services, which suggests that the bureau may be able to absorb the cost of this request within its existing budget. However, Council may choose to allocate these resources as part of the Fall BMP if the requests are identified as a Council priority.

New GF Request

Office of Government Relations | Additional Support for Tribal Relations Summit

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$20,000	\$0	\$0

CBO Analysis

For the past four years the Office of Government Relations (OGR) has underspent its General Fund appropriation by at least \$110,000 and as much as \$245,000 due to varying reasons that include staffing level changes and recruitments, as well as impacts from the Covid-19 Pandemic in the recent budget years.

CBO recognizes the need for this request as both urgent and unforeseen, however, the bureau appears to have internal capacity to absorb the \$20,000 of expense. CBO recommends that OGR plan to use its internal resources, and if there are unanticipated expenses, or the savings do not materialize as forecasted that the bureau bring forward a request for contingency resources in the Spring Supplemental Budget Process.

New GF Request

Office of Management & Finance | BHR - Recruiting Positions

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$490,684	\$0	\$490,684

CBO Analysis

OMF is requesting \$613,355 for 5.0 limited term (LT) Human Resources Analyst II positions to support recruitment, selection, outreach, and consultation in the Bureau of Human Resources (BHR). The request is funded with \$490,684 in one-time General Fund Discretionary resources for 4.0 LT recruiter positions and \$122,671 in interagency (IA) resources from the Portland Bureau of Parks & Recreation (Parks Bureau) for 1.0 LT recruiter housed in BHR. The Parks-IA funded position was recently hired to support the recruitment of positions funded with Parks' Levy resources.

For the General Fund portion of the request, two of the 4.0 LT recruitment positions would temporarily restore capacity to BHR's Workforce Recruitment Team (WRT). BHR lost position authority for 2.0 FTE Senior Recruiters and a third non-recruitment related position in the FY 2021-22 Adopted Budget. The cuts were made in response to the Mayor's Budget Guidance. While the bureau lost position authority for three FTE, the FY 21-22 Adopted Budget included \$411,403 in ongoing General Fund resources to support critical initiatives and service delivery improvements at BHR. However, the bureau used this funding to address a multi-year budget gap that was highlighted in previous CBO budget reviews.

In addition to the bureau's request for 2.0 LT recruiters to restore capacity for citywide recruitment, the bureau is also requesting two recruiters to support the Police Bureau. These requests are addressed separately below.

Citywide recruitment support

Currently, BHR has the equivalent of 4.5 FTE recruiters who are providing citywide recruitment services. In the current fiscal year, the Bureau estimates that it will process 700 requisitions that will result in an actual recruitment (the estimate does not include requisitions for the Police or the Parks Bureau). This equates to an average of 156 requisitions per recruiter by year-end which is a significantly higher ratio than previous years. During the period FY 2016 - FY 21, there were 5.0 to 7.0 FTE dedicated to recruitment in BHR. The ratio of requisitions per recruiter fluctuated from a high of 111 in FY 2019 to a low of 75 in FY 2020. If the bureau's request for 2.0 LT recruiters to provide citywide support were approved, the number of recruiters would increase to 6.5 and the ratio of requisitions per recruiter would decrease to 108. This would put the recruiter's workload in line with FY 2017 and FY 2019 levels.

BHR asserts that the two limited term recruiters would help to improve the time it takes to fill a position. In July 2021, it took an average of 104 days to fill a position, up slightly from the average of 102 days in FY 2021 when the bureau had six FTE dedicated to recruitment. The performance data available on BHR's dashboard suggests that recruiter workload levels and time to fill a position metric may not have as direct a relationship as one would presume. For example, the first time the bureau met their time to fill position performance target of 85 days was in FY 2019 when the average number of requisitions was historically high with 111 requisitions per recruiter. This was a significant improvement from FY 2018 when the average time to fill was 97 days, but the average number of requisitions per recruiter was only 90. However, several internal and external factors can affect a team's performance that are not accounted for in the data. These factors include a recruiter's experience level, the proportion of hard to fill classifications in the recruiter's portfolio, the type of recruitment strategy needed, economic conditions, the employer's reputation, and whether the employer is in a period of growth or change.

Police positions

The remaining 2.0 LT recruiter positions in BHR's FY 2021-22 Fall BMP requests would support the Police Bureau's recruitment needs. The current year budget includes one-time and ongoing General Fund resources for the Police Bureau to recruit several positions, including the accelerated hiring of 30 officers, 22.0 FTE for the Community Service Program (PS3's) and a number of non-sworn positions to support compliance with the DOJ Settlement Agreement and records management at the bureau.

BHR states that the recruiter positions will fill a gap left at PPB when the bureau dissolved their recruitment team. Prior to summer of 2020, the Police Bureau had a three-person team that was responsible for recruiting police officers. This team consisted of 1.0 FTE professional staff recruiter and 2.0 FTE officers assigned to the role of recruitment for new officers. The professional staff recruiter was eliminated, and the 2.0 FTE officers were assigned to different work units in the bureau.

CBO notes that an immediate need for recruitment exists at PPB, however, BHR's recruitment plan for new officers, PS3s, and the non-sworn positions is unclear. Based on the information available, the two recruiters would likely have some impact on outreach efforts; however, getting a diverse pool of potential officers through the hiring process can be particularly challenging as the background check is a significant barrier for hiring candidates, as is meeting all the criteria to be a police officer. In addition to the arduous hiring process, the perception of policing as a career, and the generational differences of people entering the workforce today (e.g., student loan debt, childcare challenges for complex schedules, desire for flexible hours and work-life balance) makes recruiting new officers a challenge. The bureau's plan for addressing these complex issues must be addressed prior to requesting ongoing resources to lead police officer recruitment at the City.

Recommendation:

It is clear the bureau is struggling to meet the increased demand for recruitment services from customer bureaus. If approved, the number of positions requested in the FY 21-22 Fall BMP will only add to this backlog. The bureau is also unable to reallocate existing resources to fill this need as they are continuing to project a budget shortfall despite steps taken in the FY 21-22 Adopted Budget to address the funding gap. Given both the immediate need for additional recruitment support and the bureau's projected shortfall, CBO recommends this request for 5.0 LTE recruitment staff in BHR (2.0 LTE to provide Citywide recruitment support, 2.0 LTE to support the PPB, and 1.0 LTE to support Parks' levy-funded positions).

The affirmative recommendation for this request should not be interpreted as an implicit recommendation for ongoing recruiter positions in the FY 2022-23 budget. BHR is doing what it can to meet the bureau's growing list of mandates using existing resources, but budget shortfalls from rising personnel costs and budget reductions are continuing to create tradeoffs and impact service levels across the bureau. It is imperative the Bureau present a comprehensive plan that clearly outlines the bureau's goals, strategies, and outcomes for both citywide and Police Bureau recruitment services that is sufficiently resourced. Over the next several months, the bureau should work with customer bureaus, the Community Safety Division, and the Police Bureau to develop a plan and budget request to meet this need.

New GF Request

Office of Management & Finance | BRFS - Equity Goals and Workforce Compliance

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$266,667	\$0	\$0

CBO Analysis

BRFS's Procurement Division has two new requests for one-time General Fund resources to supplement its social equity in contracting programs, with the intention of requesting ongoing resources for them during the FY 2022-23 budget development process. The division states that these requests are in direct response to the findings from the 2020 audit on its social equity in contracting programs (<https://www.portlandoregon.gov/auditservices/article/765110>) as well as the February 2021 City Council work session that directed OMF to come up with recommendations on how to improve the programs (<https://www.youtube.com/watch?v=-kazAMciDHI>).

This request is for \$266,667 in General Fund one-time resources to fund two Analyst II limited-term positions and associated materials and services to invest in procurement compliance, develop strategy for Construction Career Pathways Project (C2P2) implementation, and improve documentation of exemptions and reporting. OMF states that stakeholders have repeatedly expressed the need for Procurement Services to improve outcomes through enforcement. BRFS states that being able to increase utilization of firms certified by Oregon's Certification Office for Business Inclusion and Diversity (COBID) requires collaboration and support as solicitations are developed and through the life of the contract and project delivery, and by making this investment, the City will increase the capacity of the compliance team and allow them to participate in the change management needed to achieve results.

Currently, four Compliance Specialist Analysts in the Compliance Unit handle an average of 40 projects each, and Procurement has indicated that this workload does not allow for hands-on collaboration with contractors that the community expects; handling this many contracts does not allow staff to attend project progress meetings for each contract and remain informed or have the ability to mitigate issues as they arise. The division believes that a collaborative approach that involves relationship building, timely troubleshooting, mitigation, or correction of issues is crucial to achieving maximum equity results, and this new approach requires more resources to be successful. OMF believes that this request is responsive to Council's expectations to improve the City's outcomes in its social equity programs, and that the City can only meet these expectations by investing in Procurement as a strategic function of the City. If ongoing funding is not approved in the FY 2022-23 budget, Procurement states that it will need direction from Council to understand how they collectively prioritize the City's contracting equity outcomes.

While CBO is supportive of this new approach centered on collaboration, the office also notes that it is clearly a new ongoing one, and at this point, it is unclear how much new ongoing General Fund resources will be available during the FY 2022-23 budget development process. Therefore, if Council funds this new approach during the Fall BMP, it should be ready to fund it ongoing. CBO is not recommending the allocation of new General Fund resources for the proposal during the Fall BMP. The request is for a need that is neither urgent nor unforeseen. Furthermore, as the first presentation to Council of ways to improve the social equity in contracting programs is not until December 2021, and thus, this proposal has not yet been vetted by Council, approving it during the Fall BMP would preempt the December report. Requests for funding of this new approach would be more appropriate during the FY 2022-23 budget development process, which begins during the winter of this fiscal year.

New GF Request

Office of Management & Finance | BRFS - Integrated Tax System General Fund True-up

General Fund Request	Requested	CBO Adjustments	Recommended
Fund Transfers - Revenue	\$204,767	\$0	\$204,767

CBO Analysis

BRFS is requesting \$204,767 in one-time General Fund resources to true-up the City General Fund's current year share of costs for the Integrated Tax System (ITS). In addition, the bureau is requesting an increase of the same amount in its allocation of ongoing Current Appropriation Level (CAL). The initial CAL amount of \$1,803,697 devoted to the City's share of ITS costs was approved during the Fall BMP of FY 2019-20. Since then, the amount has only been adjusted once, a reduction of \$68,398 to account for the inclusion of the Metro Supportive Housing Tax into the model during the FY 2020-21 Fall BMP.

Since the development of the initial CAL amount, there have been at least four refinements of the cost-sharing model, and the latest shows an annual deficit of \$204,767, which OMF is requesting in this Fall BMP, both to fund the current year's costs, as well as future years' costs. Adjustments to the model since the initial CAL development include using a lookback of the prior three-years' actual revenues, adding the Metro Supportive Housing Tax to the model, adding the Multnomah County Preschool for All Tax to the model, including costs for an upgrade set-aside, and adding costs for an increased Travel Portland Tourism Improvement District (TID) surcharge.

CBO recommends the one-time of allocation of funds for the current year as well as the increase in ongoing CAL of the same amount (\$204,767). While the need for the adjustment is not unforeseen, it can be considered urgent as without the addition to the City's contribution, the bureau may be challenged to adequately fulfill its tax collection obligations and hence, fund the City's services. It should be noted that the City should be prepared for further adjustments to its share of ITS costs as the cost-sharing model will undoubtedly be updated again in the future. Furthermore, it should also be noted that approximately 42% of the revenues used in the model are estimates, including those for the Metro Supportive Housing Tax and the County's Preschool for All Tax. Hence, if the model is again updated to account for actual collections of these and other taxes, the City's share of ITS costs may change once again, although an actual request for another CAL adjustment may only be made if the changes to the shares of costs are significant. To avoid the City having to repeatedly process CAL target adjustment requests year after year in the future, CBO also recommends that Council grant CBO the authority to adjust the CAL target amount as needed.

New GF Request

Office of Management & Finance | BRFS - Pathways to Contracting - Bonding and Technical Assistance

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$550,000	\$0	\$0

CBO Analysis

BRFS's Procurement Division has two new requests for one-time General Fund resources to supplement its social equity in contracting programs, with the intention of requesting ongoing resources for them during the FY 2022-23 budget development process. The division states that these requests are in direct response to the findings from the 2020 audit on its social equity in contracting programs (<https://www.portlandoregon.gov/auditservices/article/765110>) as well as the February 2021 City Council work session that directed OMF to come up with recommendations on how to improve the programs (<https://www.youtube.com/watch?v=-kazAMciDHI>).

With this package, Procurement requests \$550,000 in one-time General Fund resources for a 1.0 FTE Analyst II position (\$105,000) and \$445,000 in program dollars for the start-up phase of a new Bonding Assistance Program. The Analyst II will serve as a Program Manager to develop the program and execute a contract for bond program education and technical services to disadvantaged, small, and minority firms, as well as design and implement a program to provide direct assistance to firms and the collateral needed for the City to support partial performance and payment bonds required of the construction contractors participating in the program. BRFS states that this program is necessary to respond to the systemic and institutional barriers that impede contracting access and the opportunity for smaller diverse firms to bid on and win contracts because finance and surety services have often been out of reach for businesses owned by Black, Indigenous, and other people of color and women. The bureau believes that one of the tools to address these challenges is a bonding assistance program designed to help small contractors obtain bid, payment, and performance bonds and increase bonding capacity. BRFS states that it derived the startup costs based on conversations with other jurisdictions that have successfully implemented similar programs, and the \$445,000 will be used for a contract to provide direct support and technical assistance to businesses. The first phase of the work will be to scope the reforms and establish a bonding assistance program, while the second phase will be to implement those reforms. Other jurisdictions with these programs contract with a specialized insurance firm to deliver the services, and Procurement will know after the first phase if this is the recommended approach for Portland.

Procurement states that if ongoing funding for the program is not approved during the FY 2022-23 budget development process, it may seek funding from regional partners to develop a regional approach to these priority services. It notes that funding the first phase is critical to developing a strategy on how the program could best operate in the Portland Metro Region and what funds are eligible to fund this component of growing the marketplace for BIPOC and women-owned firms. While CBO is supportive of this new program, the office also notes that it is clearly a new ongoing initiative, and at this point, it is unclear how much new ongoing General Fund resources will be available during the FY 2022-23 budget development process. Therefore, if Council funds this new initiative during the Fall BMP, it should be ready to fund it ongoing. CBO is not recommending the allocation of new General Fund resources for the proposal during the Fall BMP. The request is for needs that are neither urgent nor unforeseen. Furthermore, as the first presentation to Council of ways to improve the social equity in contracting programs is not until December 2021, and thus, this proposal has not yet been vetted by Council, approving it during the Fall BMP would preempt the December report. Requests for funding of this new program would be more appropriate during the FY 2022-23 budget development process, which begins during the winter of this fiscal year.

New GF Request

Office of Management & Finance | CAO - ReThink Police Oversight Committee support resources

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$10,263	\$0	\$0

CBO Analysis

This request is for \$10,263 in General fund one-time resources to cover the cost of ancillary items for the Rethink Police Oversight Commission (POC). These items include email addresses, Office 365 accounts, VPNs, and other incidental expenses. Relative to the Community Safety Division's total FY 21-22 Adopted Budget, CBO generally recommends that bureaus look to underspending as a source before requesting General Fund contingency resources this early in the budget year.

New GF Request

Office of Management & Finance | SPOT - Project Manager Funding

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$40,000	\$0	\$0

CBO Analysis

This request is for \$40,000 in General Fund one-time resources to fund a projected budget shortfall for a Strategic Projects Manager (Analyst III) in the SPOT Team. In FY 2019-20 and FY 2020-21, the position was funded with a combination of interagency resources from the Public Safety Bureaus to fund the project management of the Public Safety Workgroup and General Fund resources. However, an ongoing funding gap formed when the Community Safety Division was established, and the interagency revenue no longer funded a portion of the position. In addition to the request for one-time resources in the Fall BMP, OMF intends to submit a request for ongoing resources in the FY 2022-23 budget.

Since it is early in the fiscal year, CBO recommends OMF absorb the projected funding gap with underspending and request ongoing resources in the FY 22-23 budget.

New GF Request

Office of the Mayor | Mayor-Reimagining Safety Request

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$100,000	\$0	\$0

CBO Analysis

The goal of this request is to have Northwest Health Foundation work with the Office of Violence Prevention and the Community Safety Director to conduct discussions and provide structural form to address racial and inequality issues for the Black community in Oregon specifically with relation to community safety. This is a pertinent issue for the City and aligns with the City core values of Anti-Racism and Equity, as well as commitments made by City leaders to re-envision the way the City provides for community safety.

In the FY 2021-22 Adopted Budget, the City allocated \$400,000 in one-time General Fund resources to the Community Safety Transitions program for engagement and strategic planning efforts related to reimagining community safety. The Community Safety Program has begun planning for the allocation of these resources but may be able to absorb this cost as part of that work. CBO recommends that the Council consider utilizing these existing resources before committing to a new allocation.

New GF Request

Portland Bureau of Emergency Management | Emergency Coordination Center's Joint Volunteer Information Center (JVIC)

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$1,000,000	(\$700,000)	\$300,000

CBO Analysis

As part of the City and County's COVID-19 emergency response efforts, employees staffing the Joint Volunteer Information Center (JVIC) worked with over 60 community-based organizations (CBOs) to support individuals, households, and local businesses with relief programs and direct assistance. The City spent over \$500,000 for health and hygiene items like face coverings, hand sanitizer, cleaning supplies, and diapers that were passed through CBOs to their constituents. This Fall BMP request reflects a desire to continue supporting CBOs that the City has developed relationships with over the past 18 months, both by building organizational capacity as well as providing access to a flexible pool of resources for needs identified by the community members these organizations serve and represent.

This proposal includes \$700,000 for a collaborative grant process, with approximately \$100,000 to be set aside to serve people with disabilities or other health concerns that present barriers to recovery and \$130,000 for diapers, the most requested item from the JVIC. This allocation also includes funding for a Community Service Aide, in addition to training and facilitation for the grant committee. The request also includes \$100,000 for 60 CBOs to have a Nonprofit Association of Oregon Membership with access to unlimited courses, as well as two limited term positions to provide technical assistance to organizations in navigating the City's grant and procurement processes.

A similar proposal was submitted but not funded as part of the American Rescue Plan Act allocation process over the summer. Typically, CBO does not recommend utilizing the Fall BMP to reconsider requests that were not funded during other budget processes. In addition, the City is in the process of deploying tens of million of dollars in American Rescue Plan Act and other resources to support relief and recovery efforts for Portlanders. As such, it is ultimately a policy decision for Council whether or not to fund this new grantmaking initiative. The City Budget Office notes that PBEM is currently funded with General Fund overhead resources, based on PBEM's role in providing internally focused services to City bureaus related to emergency preparedness. This proposal would likely not be eligible for General Fund overhead resources, and expenditures would need to be tracked separately.

However, CBO emphasizes that this request underscores several important larger issues related to a) emergency response and resiliency and b) capacity building for small and emerging organizations.

For a) CBO echoes PBEM's recommendation to work with Civic Life, the 311 program, Grants Management Division, and other relevant bureaus to help develop a proposal for building and supporting a structure of Community-Based Organizations that would serve as the City's network for deploying relief efforts in the event of a future emergency. If this includes a need for new ongoing or reallocated funding, CBO recommends that this come forward in time to be considered for FY 2022-23 budget development. To the extent that PBEM's focus shifts significantly toward supporting CBOs rather than providing more internally-facing services, the portion of the bureau's funding that comes from General Fund overhead support may need to be revisited.

Related to b), the City Budget Office notes that there are several other existing large pools of grant funding where the City has expressed the intent to partner with CBOs that have not historically had the capacity to apply for, manage, and report on use of public dollars. Council allocated \$3.9 million in the Adopted Budget for CBOs reducing the impact of gun violence, and it was determined that the City would waive standard requirements for grant eligibility, including nonprofit 501(c)3 status, to provide more flexibility in the types of organizations and proposals that could be supported. Similarly, the Portland Clean Energy Fund has provided capacity-building grant opportunities for CBOs to develop organizational readiness to deploy larger projects. There will also be a second tranche of American Rescue Plan Act (ARPA) dollars that will be allocated as part of FY 2022-23 budget development; although Council has not yet determined how these resources will be spent, helping organizations prepare now would allow them to be competitive for funding that may be available next fiscal year.

To this end, CBO recommends in the Fall BMP that Council fund limited term capacity in the Portland Bureau of Emergency Management, Grants Management Division, and Procurement Division to help CBOs navigate time-sensitive opportunities to partner with the City. Some of the specific work associated with this, such as helping organizations receive Certification Office for Business Inclusion and Diversity (COBID) certification, will allow CBOs to access other funding opportunities outside of the City. Given the current hiring timelines, CBO recommends utilizing Community Service Aides and redeploying staff who have been serving at the Emergency Coordination Center to focus on this project. If there is Council support for this recommendation, CBO will work with the relevant parties to refine cost estimates and including position authority if needed in the Supplemental Budget.

New GF Request

Portland Fire & Rescue | Fire Station Security

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$260,000	\$0	\$260,000

CBO Analysis

The bureau has requested funds to install security upgrades at four fire stations in response to an increase in criminal activities, including break-ins, theft, trespassing, and loitering. These sites were identified as highest risk for security issues based on recent security incidents, assets contained on site, and location. Fire has already absorbed the cost for some security upgrades at five stations totaling \$88,500, but the estimated expenses associated with this decision package are higher due to the inclusion of security cameras, automatically opening gates, and the increased length of fencing around the perimeters.

CBO recommends this request as it addresses urgent security issues, was not anticipated during budget development, and is substantially more than the bureau typically budgets annually for station upgrades in its capital budget. Although it may be possible for Fire to absorb the security upgrade costs by delaying other capital and materials and services expenditures, as has been past practice to account for high personnel and overtime costs, this inhibits the bureau's ability to plan for regularly needed major maintenance and equipment replacement costs. As such, CBO recommends allocating additional resources at this time.

New GF Request

Portland Fire & Rescue | Increase Portland Street Response Service Availability

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$1,081,080	\$0	\$1,081,080

CBO Analysis

The total budget for Portland Street Response (PSR) currently stands at \$4.7 million in ongoing resources. This allocation was set aside as a resource specific to the PSR program; some of this original amount has been allocated for ongoing costs, and some of this has been allocated on a one-time basis. This decision package requests \$1.1 million from the Portland Street Response (PSR) General Fund policy set-aside to expand the pilot Citywide. This includes funding for two vans and four additional response teams, roughly doubling the total program FTE to 24. The request is one-time with the expectation that the program will include an ongoing request (estimated at \$1.4 million) as part of FY 2022-23 budget development.

The FY 2021-22 Adopted Budget includes a Budget Note directing a number of actions related to the PSR pilot, including review of call demand, response performance, program outcomes, and a cost-benefit analysis of the program based on results reported at the 6- and 12-month mark in the existing service area of the Lents neighborhood. The first Work Session to discuss the six-month evaluation results took place on October 5th. However, CBO understands that there may be broader support from Council to move forward in expanding the pilot Citywide at this time rather than waiting for the original timeline outlined in the budget note, particularly as it relates to the immediate need to relieve pressure on the existing emergency response system.

There remains uncertainty around program structure, effectiveness, and costs – all of which present risks to the City should Council choose to move forward with program expansion at this time. However, CBO notes the following benefits to moving forward with the proposed expansion:

- Expanding the service area has the potential to provide more robust pilot data, experience, and lessons learned to help inform FY 2022-23 budget decision-making. It also allows the program to operate in locations that would likely have a high demand for PSR, and expanding Citywide – rather than limiting the service area – is much simpler for 9-1-1 to dispatch.

- This will help to test initial findings from the first six months of the pilot showing that PSR was able to reduce about 4.6% of total calls that would have traditionally utilized a Police response and 22.5% of behavioral health and non-emergency calls traditionally responded to by both Police and Portland Fire & Rescue. There is also an opportunity to look more closely at how Portland Street Response can help assist with the illegal burn calls discussed in the request for additional Inspectors.

While acknowledging the above potential benefits to the proposed expansion, there are several complex challenges that remain and CBO recommends that these be considered in conjunction with the program evaluation prior to finalizing the permanent structure:

- There are still decisions being made about call triage and deployment that will impact to what extent PSR is able to help alleviate pressure on the rest of the emergency system, and how to manage non-emergency calls. Continued support for BOEC's implementation of ProQA and Nurse Triage program will be critical to testing the feasibility of dispatching Portland Street Response independently for calls appropriately handled by Behavioral Health experts rather than law enforcement.

- It's not yet clear to CBO what the workflow will be between the County's Project Respond Behavioral Health Line, the City's 3-1-1 program, and 9-1-1 dispatch of Portland Street Response, or how much the new Behavioral Health Emergency Coordination Network will cost.

- While the primary goal of the program is to redirect calls from traditional emergency response that are more appropriately handled by a team with compassionate behavioral health expertise, recent Work Sessions have highlighted the role that PSR currently plays in filling the gap for service referral and connections. The program noted that they are often responding to calls for the same individuals, an issue that the City is trying to address through multiple initiatives. However, concerns have also been expressed about the broader behavioral health system capacity, lack of low-barrier shelter options, and the need for more places to take individuals for services. Solutions to these challenges involve multiple jurisdictions, which presents both opportunities – additional funding streams, resources, and support – as well as complications – overlapping missions, confusion from the public about

the appropriate resource to contact, and the need to coordinate between programs, organizations, and systems.

Given the urgency to relieve pressure on the existing emergency response system, the potential for more robust data collection afforded by the proposal, and the fact that the requested resources have already been approved and set aside by the Council for this purpose, CBO recommends this allocation as proposed. CBO provides this recommendation with the understanding that this pilot will be robustly evaluated and that proposed solutions to the many questions and challenges that remain will be brought to Council before establishing permanent program structures. As part of this process, CBO recommends that the evaluation and cost-benefit analysis prescribed in the original budget note be used to inform any ongoing or further expansion of the program.

New GF Request

Portland Fire & Rescue | Limited-term Inspectors

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$300,509	\$0	\$300,509

CBO Analysis

In April, Council adopted changes to City Code Title 33 driven by the Shelter to Housing Continuum Project (Ordinance 190380) allowing new shelter and housing alternatives for people experiencing homelessness. Although Portland Fire & Rescue was not specifically named in the ordinance or fiscal impact statement, the bureau has an important role to play in helping to implement the new code guide. The bureau is currently covering this workload with existing staff within the Public Education division, which is delaying or reducing regular workload associated with messaging and outreach to schools, seniors, and other vulnerable communities to help prevent fire tragedies. As such, Fire is requesting funds for two limited-term Fire Inspectors to help carry out plan review, permit issuance, safety assessments, outreach, and developing fire safety education campaigns.

CBO recommends the request for one-time funding to fill these positions for one year. Revenue and workload from plan review and inspections are down significantly due to the pandemic, and the bureau is holding positions vacant accordingly. Other workload that does not have associated funding streams, however, has increased. Overall, fires reported by the Fire Marshal's Office have been steadily increasing since 2017, driven primarily by an increase in the number of fires that outside rubbish, trash, or waste fires. Out of 1,626 year-to-date fires, over half are either waste fires (557) or tent fires (326). Combined, this is significantly more than any other type of fire reported. Given the increase in camping reports –almost 12,000 more reports of new campsites in the weekly one Point of Contact reporting system in Summer 2021 compared to Summer 2020 – there is a compelling case to adequately support not just the new code implementation, but the function of Fire's prevention program overall.

Although some of the revenue-side pressures on the Prevention program are likely to resolve as development recovers, CBO recommends a more comprehensive analysis of the workload in this program be completed as part of budget development, particularly related to the functions that are not fee-supported. Unsanctioned fires represent a significant public health and safety for both housed and unhoused residents, and the role of Portland Fire & Rescue should be formalized and planned for within bureau structures and resources accordingly.

New GF Request

Prosper Portland | Ankeny West Cart Blocks Infrastructure Funding Amendment

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$25,000	\$0	\$25,000

CBO Analysis

Prosper Portland requests \$25,000 in one-time General Fund resources for the moving and installation of a gate in front of the adjacent AT&T Building in order to make the Ankeny West cart blocks area feasible for food cart operations. The agency was allocated \$269,000 in the FY 2021-22 Adopted Budget for the purposes of infrastructure development in the area to prepare it for the food carts, but the costs of the movement and installation of the gate have since increased from \$38,138 to \$64,000 due to inflation and changes to what is needed.

The gate is needed adjacent to the Ankeny West site so that AT&T can continue to perform its functions that require a secured fenced parking lot with an automated gate. Prosper notes that the AT&T site is critical to serving regional telecommunications needs. Concerning alternatives to the gate, AT&T has worked closely with its engineers and the Portland Bureau of Transportation to explore all options, and the agreed upon scope of improvements was the one that was jointly determined to work most effectively. Prosper states that construction costs in Portland have increased approximately 5% each year between 2019 and 2021, and over the past year, increased material costs and manufacturing issues have contributed to cost escalation, impacting this project as well. Other complications contributing to the cost increase include a change in contractor and an engineering study that showed that a larger opening is needed to provide the necessary truck maneuverability into the AT&T parking lot.

CBO recommends the allocation of \$25,000 in one-time General Fund resources for the gate. The request is unforeseen and urgent. Without the funding for the gate, the development of infrastructure for the food cart pod will remain incomplete, and the pod site will most likely not be opened for the food carts.

New GF Request

Prosper Portland | Community TIF District Exploration

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$250,000	\$0	\$0

CBO Analysis

Prosper requests \$250,000 in one-time General Fund resources to facilitate community conversations centering the voices of historically underserved and marginalized communities to determine the potential of two community centered Tax Increment Financing (TIF) Districts in supporting economic and housing stabilization in East Portland. The \$250,000 amount was a high-level recommendation from Prosper leadership and also aligns well with how much was requested in a grant from Metro for exploring the development of a TIF district in the Cully area. The amount can be broken down as follows:

- o \$50,000 – Prosper Portland and Portland Housing Bureau staff time
- o \$100,000 – Consultant for project management and facilitation of community conversations
- o \$100,000 – Community engagement, split between Neighborhood Prosperity Initiative (NPI) Districts and other community organizations with connections to East Portland stakeholders.

East Portland communities have expressed an interest in preventing displacement coupled with a desire for increased investment in East Portland from the City, and Prosper believes that Tax Increment Financing (TIF) is a viable financial tool to accomplish this goal. East Portland NPI Districts have followed the progression of TIF district exploration in the Cully/Our 42nd districts and will use a similar process with community partners. Prosper recommended that a variety of community stakeholders be invited to an initial discussion to get an understanding of stakeholder interests, and assuming there is broad support in exploring the potential for a community led TIF district, the agency would solicit a facilitator/project manager to move through the process transparently and efficiently.

Prosper states that new TIF districts in East Portland and Parkrose can provide funding to help stabilize residents and businesses by preserving and creating affordable opportunities for the people who live and work in those communities. The agency believes that providing affordable housing, both rental and homeownership, will help offset increasing market pressures and allow for people to stay in their neighborhoods. Moreover, Prosper notes that approaches to develop affordable commercial space in these areas can ensure that culturally-specific businesses remain in place and continue to serve the BIPOC, low-income, immigrant, and refugee communities. TIF resources can also be utilized to make necessary home repair and permanent improvements to commercial spaces. The financial impacts to the City of new TIF districts in East Portland and the Parkrose area are yet unknown, but OMF-Debt Management has recently calculated estimates for the Cully exploration effort, including revenues that would be foregone to the City. CBO is also mindful of the unintended negative consequences of the City's prior efforts at forming Urban Renewal Areas, including gentrification and displacement.

While understanding of the needs of the residents and businesses of East Portland and supportive of the possible benefits that TIF districts can bring to those areas, CBO is not recommending the allocation of General Fund resources to this effort to bring East Portland stakeholders together to explore the potential of establishing the districts. The request is neither urgent nor unforeseen, two of the criteria CBO uses to recommend General Fund resources during the Fall BMP. If the need for General Fund resources to facilitate these conversations for East Portland and Parkrose remains, CBO recommends that Prosper Portland make the request again during the FY 2022-23 budget development process. During the budget development process for FY 2019-20, Prosper Portland was allocated \$50,000 in one-time General Fund resources to scope out the potential of a new TIF district in Cully.

New GF Request

Special Appropriations | Fall BMP Charter Review Commission Decision Package

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$212,091	\$0	\$212,091

CBO Analysis

In July 2021, the Charter Commissioners voted to approach charter review in two phases. The Commission is currently in Phase I focusing on reviewing the Form of Government and City Council Elections, and expects that the recommendations from Phase I will help to inform Phase II, which will address other issues to be determined through a robust community engagement process. This decision increases the original cost estimate for Charter Review by about 40% for a total of \$760,091.

The majority of these resources will be going to community-based organizations, as “[t]he charter review process marks the opportunity to both equip these historically disenfranchised communities with the tools and knowledge to shape our local democracy and presents an opportunity to create the conditions that provide long-term access for these communities to have their needs and interests heard and represented in city government.” Specific activities to be supported by this request include development and distribution of culturally-specific educational curriculum and engagement, a community survey for Phase II issues, and a digital communications strategy.

Given that this was unforeseen during budget development, is urgent due to decisions that are within the scope of the Charter Review Commission to determine, and has no other budget to draw on, CBO recommends this request. CBO also notes that the proposal is thoughtful, robust, and could serve as a pilot for what a future ongoing community engagement structure might look like for the City. The Coalition of Communities of Color will be producing a report on the process and outcomes of Phase II engagement, which is expected to include recommendations for best practices in collaboration with community partners, implementing culturally-specific design, and eliminating barriers to participation in public processes.

New GF Request

Special Appropriations | SA-Levee Decision Package

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$268,700	\$0	\$268,700

CBO Analysis

This request represents a multi-bureau effort related to the US Army Corps of Engineers' Portland Metropolitan Levee System (PMLS) project and other critical improvements to that 27-mile system. The Corps' project is the next phase of a decade-long effort to obtain federal certification and accreditation of the Columbia Corridor levee system (also known as the PMLS). According to the federal government, the existing PMLS does not meet current federal safety standards for levees developed in response to the devastation of Hurricane Katrina, so residents and business owners behind the levees are at risk of losing access to more affordable federally-backed flood insurance. In addition, without meeting current levee standards, the properties in the area behind the levees are at risk of being mapped into the floodplain, which would pose generally insurmountable barriers to development and devalue existing structures. The City has already committed over \$10 million in resources since 2016, including General Fund and ratepayer dollars in the form of cash, staff time, and loans, to support resolution of this complex regional issue.

The levee system is in the midst of a transition from being maintained by four distinct drainage districts to management by a single special district with a sustainable funding structure and expanded mission, named the Urban Flood Safety and Water Quality District (UFSWQD). The new district is expected to be up and running by Spring of 2023 at the earliest, and more likely by Spring of 2025. In the meantime, there is a significant amount of work required not only to stand up the new district but also to maintain the existing levee assets and continue moving forward on the PMLS project.

The resources in this request would primarily fund staff time from the Portland Bureau of Transportation (PBOT), Bureau of Development Services (BDS), and Portland Parks & Recreation (PPR). These are existing FTE who typically work on projects supported by other restricted resources (such as system development charges or development fees). In some cases it may be possible to identify eligible funding sources to charge staff time related to the Corps' PMLS project. However, while PBOT, BDS, and PPR view the potential PMLS project improvements as an opportunity to collaborate with MCDD and the Corps to achieve desired infrastructure improvements, the bureaus would not internally realign resources away from existing projects and investments that are of higher priority to them in light of their respective bureau's mission, goals, and strategic plans. Given this and the Citywide benefits of sustaining Portland's role in this project, the General Fund is an appropriate revenue source to support and enhance the City's capacity to engage with regional partners on this regionally significant effort; this is in addition to staff support from other partner bureaus funded by existing resources. There is also a small amount of funding (\$25,000) being requested as matching dollars for a FEMA grant to perform the design of a pump station replacement at Peninsula Drainage District #1 (PEN1).

The details of this request are complex, and CBO recommends reviewing the bureau submission in full for further details. In short, the financial, economic, environmental, equity, and human life and safety consequences of failure of this project are significant to the City and the region as a whole. CBO recommends this Fall BMP request, and has further recommended that Council allocate an additional \$1.6 million in resources to policy set-aside to be available for the City's project team to request in future years.

Encumbrance Carryover

Bureau of Planning & Sustainability | Encumbrance Carryover

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$488,399	\$0	\$488,399

CBO Analysis

BPS is requesting to process prior year General Fund carryover for contracts encumbered in FY 2020-21 totaling \$488,399. These include contracts supporting completion of key projects addressing the climate crisis, anti-displacement, and various community engagement efforts. CBO notes that many of these requests are due to project delays relating to nonprofit and community capacity, as well as the COVID-19 pandemic. The bureau had sufficient General Fund Discretionary underspending in FY 2020-21 to support these requests and all requests meet encumbrance carryover criteria. CBO recommends this request as requested.

Encumbrance Carryover

Commissioner of Public Works | CPW-Encumbrance Carryovers

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$11,339	\$0	\$11,339

CBO Analysis

The encumbrance carryover is one time in nature and deals with startup costs for the Commissioner of Public Works' graphic design and consulting needs. The Commissioner's office significantly underspent their EMS in FY 2020-21, the result provides adequate funds to support prior year encumbrance carryovers. CBO recommends this package as requested.

Encumbrance Carryover

Office for Community Technology | Encumbrance Carryforward

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$209,355	\$0	\$209,355

CBO Analysis

OCT is requesting to process prior year General Fund carryover for contracts encumbered in FY 2020-21 totaling \$209,355. The requests mostly meet the criteria for encumbrance carryovers; the exceptions being for two contracts that are more than a year old. The bureau states that one of these contracts for project creation (\$6,600) is necessary for stakeholder community outreach in light of the pandemic and the contract for contract negotiations with cable companies (\$132,883) is necessary for legal services. The other requests are for legal services, contract negotiations and internet community access. Due to the unprecedented impacts of the COVID-19 pandemic on the ability for outside vendors to deliver services, CBO recommends this request as requested, including the two purchase orders that fall outside the typical criteria.

Encumbrance Carryover

Office of Community and Civic Life | Encumbrance carryover

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$75,432	\$0	\$75,432

CBO Analysis

The requested carryover includes funding for Portland State University to complete two studies related to disability engagement and demographics. CBO recommends as these are one-time projects and the bureau had sufficient underspending to support this request.

Encumbrance Carryover

Office of Management & Finance | BHR - Encumbrance Carryover

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$176,582	\$0	\$176,582

CBO Analysis

Per guidelines stated in the BMP Manual, CBO typically recommends encumbrance carryover requests if the bureau has sufficient General Fund discretionary underspending in the prior year and the encumbrances are one-time costs. This request includes encumbrances related to the City's pay equity study from the University of Southern California, consulting services for the Deferred Compensation Program with Allison Hall and employee testing services with Bio-med Testing Services. CBO recommends this request, as the bureau has sufficient prior year General Fund discretionary underspending to fund this package and the request aligns with guidance on allowable encumbrance carryover purchase orders.

Encumbrance Carryover

Office of Management & Finance | BRFS - Encumbrance Carryovers

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$796,733	\$0	\$796,733

CBO Analysis

BRFS requests \$796,733 in one-time General Fund resources to pay contracts with outside vendors encumbered in the prior year. CBO generally recommends General Fund encumbrance carryover requests during the Fall Supplemental Budget that are one-time, discrete costs in which the bureau has a plan for acquiring goods or services on open purchase orders. Based on the information provided to CBO, the office is recommending the full amount of the request for the 12 contracts, eight of which are for the Sustainability or Clean Air Construction programs and three are related to the City's social equity in contracting efforts. The bureau had sufficient underspending in FY 2020-21 to carry over the entire amount of this request.

Encumbrance Carryover

Office of Management & Finance | CAO's Office - Encumbrance Carryovers

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$283,914	\$0	\$283,914

CBO Analysis

Per guidelines stated in the BMP Manual, CBO typically recommends encumbrance carryover requests if the bureau has sufficient General Fund discretionary underspending in the prior year and the encumbrances are one-time costs. This request includes encumbrances related to vaccination promotion costs and the second phase of the Facilities Master Plan. CBO recommends this request, as the bureau has sufficient prior year General Fund discretionary underspending to fund this package and the request aligns with guidance on allowable encumbrance carryover purchase orders.

Encumbrance Carryover

Office of the City Attorney | Encumbrance Carryovers

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$338,329	\$0	\$338,329

CBO Analysis

The Attorney's Office has three projects that were funded and started in FY 2020-21. However, they were not completed by the end of the fiscal year. Below is a summary of those projects:

-A contract with OIR Group was established to provide an independent review of the Police Bureau. Funding in the amount of \$150,000 was added to the City Attorney's Office budget in the FY 2020-21 Spring BMP. The contract was effective March 29, 2021 and to date the office has spent \$10,894. The office is requesting a carryover amount of \$139,106 to complete the independent review.

-The City Attorney's Office contracted Fat Pencil Studios to assist with the development of a legal records database to assist in the management of extensive litigation video records. The contract was in the amount of \$100,000 and work began on April 1, 2021. To date, \$777 has been spent and the office is requesting a carryover amount of \$99,223 to complete the work.

-The office is working with Facilities to make safety and security improvements to the front reception area at the cost of \$100,000. The work began in FY 2020-21 and is expected to be completed in FY 2021-22. The design phase of the project has been completed and the construction bid process has begun. The office is requesting that the \$100,000 be carried over so the work can be completed.

CBO is familiar with the three projects outlined in the Decision Package and has verified that the requested carryover values are accurate. The projects were started in FY 2020-21 and were unable to be completed prior to the fiscal year ending. CBO recommends the approval of carryover dollars for the three projects.

Encumbrance Carryover

Office of the City Auditor | Encumbrance Carryover Request

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$115,672	\$0	\$115,672

CBO Analysis

By Charter, the City Budget Office shall only review the Auditor's budget when requested by the Mayor or a member of City Council.

Encumbrance Carryover

Office of the Mayor | MY-Encumbrance Carryovers

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$202,075	\$0	\$202,075

CBO Analysis

The encumbrance carryovers are one-time in nature and support contractual costs for the Mayor's Office such as community outreach events and vaccine promotion. The requests meet the prior year encumbrance carryover criteria and CBO recommends this as requests.

Encumbrance Carryover

Portland Bureau of Emergency Management | PBEM - Encumbrance Carryover

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$453,294	\$0	\$453,294

CBO Analysis

PBEM has eleven PO's/contracts that were not able to be fulfilled prior to the end of FY 2020-21. Below is a list of the projects and the dollar amount to be carried over:

- PSU updated earthquake plan IGA-\$150,000
- Range consultant contract-\$90,000
- PSU mitigation plan match IGA-\$50,000
- Community Organization Active Disaster contract-\$45,280
- eLearning Producer Tom11 Films, LLC-\$37,744
- Rosewood Initiative contract-\$10,000
- Verda community programs contract-\$9,000
- Vanport mosaic contract-\$5,000
- Pathway to Leadership-\$50,000
- Bold Planning Solutions/COOP Planning-\$3,770
- Sara Smalley Community Resilience contract-\$2,500

CBO is aware that these grants/contracts are in direct support of the community and/or PBEM business operations and the funding was part of PBEM's FY 2020-21 Budget. The dollars come from four different programs within PBEM and represent money that has not yet been allocated out to these different Community Based Organizations, businesses, and Portland State University. The resource is required to either complete much needed work to protect the City and its citizens against emergencies or to local Community Based Organizations that help communities in need within the City. CBO recommends the carryover requests as submitted for the reasons mentioned above.

Encumbrance Carryover

Portland Fire & Rescue | Encumbrance Carryover

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$1,336,591	\$0	\$1,336,591

CBO Analysis

This request carries over one-time project and equipment costs initiated in FY 2020-21 that will be completed or received in FY 2021-22. This includes typical Fire Bureau encumbrances related to apparatus replacement and repair, emergency medical supplies, and facilities replacement, as well as specific costs related to COVID-19 and the Code Enforcement software implementation. CBO recommends this request, as the bureau has sufficient prior year General Fund discretionary underspending to fund this package and the request aligns with guidance on allowable encumbrance carryover purchase orders.

Encumbrance Carryover

Portland Parks & Recreation | General Fund Carryover

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$1,576,198	\$0	\$1,576,198

CBO Analysis

Portland Parks & Recreation underspent its FY 2020-21 General Fund budget by \$4.39 million and is requesting to process prior year General Fund carryover totaling \$1,576,198 for contracts in which a purchase order was submitted but no goods receipt was received before year-end close. CBO's criteria for encumbrance carryovers state that bureaus should only request encumbrance carryovers that are one-time in nature, cannot be funded within existing appropriations, are critical for operation, and for which the bureau has sufficient prior year underspending to absorb.

CBO notes that, like many other bureaus who operate with a mix of General Fund and external revenues, PP&R managed its expenses conservatively—as its external revenues were not immune to the negative micro- and macro-economic impacts of the COVID-19 pandemic. The result of this is that as fiscal year closing approached, the bureau gained a clearer picture of its available discretionary operating budget at the same time that the potential risk of a large, unforeseen obligation waned. This enabled the bureau to submit purchase orders for expenses that normally would have been submitted earlier in the fiscal year. The outcome of this practice is that, optically, the bureau appears to have attempted to encumber at least a portion (in this case 35.9%) of its unspent budget in order to prevent it falling to balance at year-end.

However, CBO is sympathetic to such bureau's approach to budget management, given the financial volatility FY 2020-21 invited. And while many of the encumbered contracts do appear to diverge from CBO's parameters of being "one-time in nature" and "unable to be funded within existing appropriations" we note that these contracts are critical for operations and do often take time—sometimes more than six months—for delivery after the purchase order is submitted. These contracts include heavy construction, water chemicals, nursery stock, and other materials and services required for operation and maintenance of PP&R assets needed to provide core services.

Encumbrance Carryover

Portland Police Bureau | Encumbrance Carryover Request

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$951,130	(\$343,091)	\$608,039

CBO Analysis

This request carries over project and equipment costs initiated in FY 2020-21 that will be completed or received in FY 2021-22. Per guidelines stated in the BMP Manual, CBO typically recommends encumbrance carryover requests if the bureau has sufficient General Fund discretionary underspending in the prior year and the encumbrances are one-time costs.

In total, the bureau has \$608,039 available in General Fund discretionary underspending in the prior fiscal year for an encumbrance carryover request. However, the Police Bureau's request totals \$951,130, which exceeds the amount of General Fund discretionary underspending available by \$343,091. The Police Bureau notes that the request for one-time General Fund resources in excess of what's available was made in error. As a result, \$343,091 in purchases that were budgeted in FY 2020-21 must be covered by the bureau's current year budget. This will require the bureau to actively monitor their external materials and service expenses to stay within budget. CBO notes that like several bureaus at the City, most of the Police Bureau's encumbrance carryover requests were for equipment costs that were delayed due to manufacturing issues from COVID-19.

In keeping with the BMP Manual guidelines, CBO recommends \$608,039 in encumbrance carryover. The recommended amount is based on the General Fund discretionary underspending available from the prior fiscal year.

Encumbrance Carryover

Prosper Portland | Albina Vision Trust Encumbrance Carry Over

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$10,000	\$0	\$10,000

CBO Analysis

Prosper requests to carry over \$10,000 of the \$75,000 in General Fund resources that was originally appropriated in FY 2019-20 to pay the Albina Vision Trust to conduct community engagement efforts to capture how Portlanders envision the future of the Albina neighborhood and the Rose Quarter. The full amount was carried over into FY 2020-21, and the agency is now requesting to carry over the remaining \$10,000 that is expected to be spent by calendar year-end. Albina Vision Trust kicked off an intensive and wide-reaching community engagement process during the COVID-19 pandemic and experienced delays that had a ripple effect on its timeline. Some of the issues the Trust encountered included the solicitation and formation of the consultant team, a full work plan shift from in-person events to a virtual platform while creating ways to engage a demographic that has challenges with access to digital infrastructure, and aligning timing with travel and events with the waves of the pandemic. The grant agreement was extended to the end of calendar year 2021, and Prosper anticipates that the Trust will complete the work within that window. CBO recommends the carryover.

Encumbrance Carryover

Prosper Portland | Small Business Repair Grants Encumbrance Carry Over

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$167,491	\$0	\$167,491

CBO Analysis

Out of the \$550,000 in General Fund resources that was allocated to Prosper Portland for repair grants last year, the agency requests to carryover \$167,491. The funds are encumbered in the agency's own system of record, which is separate from the City of Portland's. Prosper did not request to carryforward the funds during last year's Spring BMP, but it should be noted that \$250,000 of the amount appropriated last year for repair grants were allocated during the Spring BMP itself. While Prosper was aware of how much of the resources were committed, it was not confident about the level of resources that would be expended by the end of the fiscal year. The agency had dedicated all of the FY 2020-21 funds, however, timing of when they would be granted to each business varied. CBO recommends this carryover.

Encumbrance Carryover

Special Appropriations | Fall BMP Special Appropriations Encumbrances Carryover

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$486,429	\$0	\$486,429

CBO Analysis

CBO recommends these encumbrances, the majority of which are for the Office of Violence Prevention (OVP). OVP as an Office and Special Appropriations as a whole had sufficient underspending to fund this carryover.

Mid-Year Reduction

Portland Fire & Rescue | Budget Transfer to Community Safety Division

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	(\$157,000)	\$0	(\$157,000)

CBO Analysis

This decision package has been submitted as part of a larger consolidation of budget functions led by the Community Safety Division in the Office of Management & Finance. Portland Fire & Rescue is reducing the budget and position authority for the currently vacant Budget Manager position to be reassigned to the OMF Community Safety Division team. CBO has been told that this change in the Fall BMP will help facilitate next steps toward the longer-term vision for the consolidated Community Safety function.

CBO recommends this request given apparent support by the relevant Commissioners-in-Charge and bureau directors indicated by the inclusion of this request in the Fall BMP. However, CBO notes that limited information has been provided publicly about the larger plan and expected outcomes associated with this consolidation. Specific to this request, there are still notable unresolved questions about how work will be directed, coordinated, and completed between the Manager I to be housed in Office of Management & Finance and the remaining staff in Fire that currently report to this position. CBO recommends that, as part of the Fall BMP, Council provide clarity to the impacted bureaus and staff about how decisions will be made, on what timeline, and by which entity(ies).

CBO notes that this request is currently entered as a one-time reduction, and would need to be entered as an ongoing change during budget development.

Mid-Year Reduction

Portland Police Bureau | Realignment of Staff Resources to Community Safety Division

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	(\$204,750)	\$0	(\$204,750)

CBO Analysis

This decision package reduces the budget allocation and position authority for the Manager III position in the Police Bureau and reassigns it to the Community Safety Division in the Office of Management & Finance (OMF). This action is part of a multi-phase strategy to implement a centralized business operations team for public safety bureaus within the Community Safety Division. CBO has been told that this change will facilitate next steps toward the longer-term vision for the consolidated Community Safety function as part of FY 2022-23 Budget development and beyond.

CBO recommends this request given support from the Police Bureau and Council's previous support for the Community Safety Transition Director position. CBO notes that limited information has been provided publicly about the larger plan for this consolidation. There are still notable unresolved questions about how work will be directed, coordinated, and completed between the Manager III in Office of Management & Finance, the remaining staff in the Police Bureau that currently report to this position, and how this transition will impact the business operation staff from the other public safety bureaus (Police, Fire, Emergency Communication and Emergency Management). For this position and the Community Safety Division to be successful, an articulation of roles and lines of authority need to be resolved and communicated over the next several months.

Other Adjustments

Office of Management & Finance | BHR Training Fund-Beginning Fund Balance

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$47,787	\$0	\$47,787

CBO Analysis

This request carries over \$47,787 in beginning fund balance for BHR's training sub-fund. The resources will be used for the programming of the manager/supervisor training program, LEAD (Leadership Engagement and Development) and Path to Leadership. CBO recommends this request.

Other Adjustments

Office of Management & Finance | CAO - Community Safety Budget and Finance Centralization

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$359,750	\$1,999	\$361,749

CBO Analysis

This decision package adds budget allocation and position authority for the Manager III position in the Police Bureau and the currently vacant Budget Manager position in Portland Fire & Rescue and reassigns both positions to the Community Safety Division in OMF. This action is part of a multi-phase strategy to implement a centralized business operations team for public safety bureaus within the Community Safety Division. CBO has been told that this change will facilitate next steps toward the longer-term vision for the consolidated Community Safety function as part of FY 2022-23 budget development and beyond.

CBO recommends this request given the apparent support by the relevant Commissioners-in-Charge and bureau directors which is indicated by the inclusion of the corresponding reduction packages in the Fall BMP. CBO notes that limited information has been provided publicly about the larger plan for this consolidation. There are still notable unresolved questions about how work will be directed, coordinated, and completed between the Manager III and Budget Manager to be housed in OMF and the remaining staff in the Police Bureau and Fire Bureau that currently report to this position. There are also unresolved questions of how this transition will impact the business operation staff from the other public safety bureaus (i.e., Emergency Communication and Emergency Management). For these positions and the Community Safety Division to be successful, an articulation of roles and lines of authority needs to be resolved and communicated over the next several months.

CBO notes that this request is currently entered as a one-time addition which needs to be entered as an ongoing change during FY 22-23 budget development.

Other Adjustments

Office of Management & Finance | CAO-Transfer 2 FTE Funding to SA

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	(\$300,000)	\$0	(\$300,000)

CBO Analysis

The Adopted Budget included funding in Office of Management & Finance (OMF) Chief Administrator's Office for two limited term positions to work on high-priority projects. It was decided by OMF and Commissioner Ryan's Office that these positions would instead be housed in Special Appropriations and report to the Commissioner directly. One of those positions is now being funded by American Rescue Plan Act dollars. The remaining General Fund resources are being moved in this package to Special Appropriations for development services permit process improvement coordination, as the estimated cost for that position is notably higher than estimated. The intent is to request carryover of any unspent funds into the next fiscal year to complete the project.

The limited term position was already created and filled for this work in Special Appropriations, and this request moves the funding between OMF to Special Appropriations. While CBO does not recommend this process as a regular practice, given that the positions have already been hired, CBO recommends the decision package to align budget and actuals.

Other Adjustments

Portland Housing Bureau | Project Rebudgets

General Fund Request	Requested	CBO Adjustments	Recommended
Fund Transfers - Revenue	\$1,247,343	\$0	\$1,247,343

CBO Analysis

As housing projects span multiple fiscal years, the Portland Housing Bureau (PHB) trues up project budgets in the Fall and Supplemental Budgets to better reflect when funds will be spent. This package rebudgets multi-family affordable housing projects and single-family homeownership and homeowner retention projects that cross fiscal years in several PHB managed funds. This package will allow the bureau to continue with projects already awarded and under contract or construction. Most of these rebudgets do not have an impact on the General Fund except for the recognition of a cash transfer of \$1,114,343 from the General Fund to the Short Term Rental Fund. This transfer trues up the estimated FY 2020-21 Short Term Rental Tax revenues to actual amounts received. The bureau is budgeting this resource in policy reserves. In addition, the bureau is budgeting \$133,000 in General Fund expenditures as a replacement for currently budgeted Recreation Cannabis Tax resources for the Joint Office of Homeless Services (JOHS). This is being done in accordance with Amendment 11 in the City's intergovernmental agreement with JOHS. The funds are to support the Risk Mitigation Pool, which is used to pay claims to help project owners support the cost of repairs and operational funding gaps that can occur with permanent supportive housing units. CBO recommends this package as requested.

Other Adjustments

Special Appropriations | SA-Transfer 2 FTE funding from OMF

General Fund Request	Requested	CBO Adjustments	Recommended
General Fund Discretionary	\$300,000	\$0	\$300,000

CBO Analysis

The Adopted Budget included funding in Office of Management & Finance (OMF) Chief Administrator's Office for two limited term positions to work on high-priority projects. It was decided by OMF and Commissioner Ryan's Office that these positions would instead be housed in Special Appropriations and report to the Commissioner directly. One of those positions is now being funded by American Rescue Plan Act dollars. The remaining General Fund resources are being moved in this package to Special Appropriations for development services permit process improvement coordination, as the estimated cost for that position is notably higher than estimated. The intent is to request carryover of any unspent funds into the next fiscal year to complete the project.

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