



CITY OF
**PORTLAND,
OREGON**
GOVERNMENT RELATIONS

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March 17, 2022

TO: Mayor Ted Wheeler
Commissioner Carmen Rubio
Commissioner Dan Ryan
Commissioner Jo Ann Hardesty
Commissioner Mingus Mapps
Auditor Mary Hull Caballero
Jessica Kinard, CBO Director
Anthony Locke, CBO Analyst

FROM: Nils Tillstrom, Interim Director

RE: Government Relations Fiscal Year 2021-2022 Spring Budget Monitoring Process

The Office of Government Relations (OGR) has prepared the attached Spring Budget Monitoring Process (BMP) submittal items:

- 1) Summary of Budget Adjustments: OGR is making a technical adjustment in the amount of \$51,000 from External Material and Services (EMS) to Personnel Services. Further explanation is provided in the following pages of this document.
- 2) OGR is requesting \$60,000 programmatic carryover from External Material and Services (EMS) to complete the Office's Strategic Plan, which has not been completed from the prior fiscal year's Spring BMP carryover request. Due to leadership transitions, lack of ability to seek requests for proposals (RFP's) for an external consultant, and in-person meeting restrictions due to Covid-19, staff have not been able to begin the process.
- 3) OGR is requesting its full Compensation Set-Aside amount of \$27,661 and Contingency Fund amount of \$27,661. Further explanation is provided in the following pages of this document.
- 4) Current year projections: OGR is projecting to spend approximately 92% of its current budget, which includes the technical adjustment and programmatic carryover decision packages explained in items 1 and 2. The underspending in EMS that allows for these adjustments are partly due to the COVID-19 pandemic, curtailing expenditures for staff travel, in-person training and professional development and other program activities.

If you have any questions, please feel free to contact me.

Thank you.

Nils Tillstrom
Interim Director

GR - Office of Government Relations DP Type Technical Adjustments

Request Name: 13504 -Technical Adjustment

Package Description

The Office of Government Relations (OGR) is making a technical adjustment from resources within External Material and Services (EMS) to Personnel Services, in the amount of \$51,000 to accommodate transitions due to staffing changes and pending recruitments to fill vacancies, including a permanent Director, Federal Relations Manager, State Relations Manager, and State Relations Associate. In addition, OGR is making a technical adjustment from Internal Material and Services (IMS) budget in the amount of \$25,000 from the underspending of Motor Pool Leases to EMS for office space expansion and upgrades due to the staffing expansion over the past two years in the Tribal Relations Program and added limited-term positions to the Office.

Service Impacts

The technical adjustment from EMS to Personnel Services supports overall Office support and integration of the staffing transitions, pending recruitments and aligns with the services within the overall support offered by OGR. This technical adjustment will provide adequate sufficient funding to carry out the remainder of the fiscal year to meet any shortfall of personnel budget due staffing transitions. The IMS to EMS technical adjustment also supports staffing in allowing adequate space needs and upgrades to furnishings to accommodate expansion of personnel.

Equity Impacts

There are no equity impacts or changes to the Office's current Budget Equity Tool Report.

Account Name	2021-22 SPRING Requested Adj
Expense External Materials and Services	-26,000
Internal Materials and Services	-25,000
Personnel	51,000
Expense Sum:	0

GR - Office of Government Relations

DP Type

GF Program Carryover

Request Name: 13505 -Program Carryover

Package Description

OGR is requesting a carryover in the amount of \$60,000 for completion of the Office's 2021-2026 strategic plan from the Office's External Material and Services (EMS) budget. During Spring BMP of FY 2020-2021, the Office requested this carryover with the hopes of starting the process and developing a Request for Proposal (RFP) for a consultant to assist the Office Strategic Planning process. Given capacity constraints and transitions in staffing and leadership within this current fiscal year, the Office was unable to complete this activity within the anticipated timeline.

Service Impacts

The process and completion of the strategic plan will serve as a tool to help us align our work with the City's core values and utilize and uplift the equity tools that have been developed in conjunction with the Office of Equity and Human Rights. The strategic plan will help the Office of Government Relations (OGR) visualize and document the plan for systems change to adopt the City's core values and recognize new programs that have not been a part of previous strategic planning process. With the growth of programs, the service model has traditionally had an inward facing model, and we need to be inclusive of all program areas and those who we serve. The way in which we work with clients, legislators and stakeholders is dependent on a mission-driven, and focused strategy that demonstrates collaboration, intention, and thoughtfulness. This planning process will create the framework to ensure our service to the City is equitable, and sustainable.

Equity Impacts

The Office of Government Relations works to advance intergovernmental relations and policies that promote prosperity and equity for the people of Portland through the work of the City. This planning process will not only look at a strategy to advance the Office to meet that mission but create the opportunity to identify areas of changes within our service structure that is alignment with the City-wide core values. The Strategic plan will create a shared vision of what success is through an equity lens.

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-60,000
Expense	Sum:	-60,000

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-60,000
Revenue	Sum:	-60,000

GR - Office of Government Relations DP Type Compensation Set-Aside

Request Name: 13507 -Request for Compensation Set-Aside

Package Description

The Office of Government Relations (OGR) is requesting its full Compensation Set-Aside amount of \$27,778 and Contingency Fund amount of \$27,661.

Service Impacts

The decision package supports overall Office support and integration of the staffing transitions and pending recruitments, and aligns with the services within the overall support offered by OGR. This decision package will provide adequate sufficient funding to carry out the remainder of the fiscal year to meet any shortfall of personnel budget due to cost of living increases for employees that occurred earlier in the fiscal year.

Equity Impacts

There are no equity impacts or changes to the Office's current Budget Equity Tool Report.

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	27,778
Expense	Sum:	27,778

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	27,778
Revenue	Sum:	27,778

GR - Office of Government Relations DP Type Contingency

Request Name: 13511 -Request for Contingency Fund

Package Description

The Office of Government Relations (OGR) is requesting its full Compensation Set-Aside amount of \$27,661 and Contingency Fund amount of \$27,661.

Service Impacts

The decision package supports overall Office support and integration of the staffing transitions and pending recruitments, and aligns with the services within the overall support offered by OGR. This decision package will provide adequate sufficient funding to carry out the remainder of the fiscal year to meet any shortfall of personnel budget due to cost of living increases for employees that occurred earlier in the fiscal year.

Equity Impacts

There are no equity impacts or changes to the Office's current Budget Equity Tool Report.

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	27,661
Expense	Sum:	27,661

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	27,661
Revenue	Sum:	27,661

Funds Center - Name	Fnd Prgms	Project Code - Name	Account Name	Major Object Name	CommItem - Name	CBO Recommended	Included i Proposec
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	Personnel	511100 - Regular (perm full time)	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Revenue	General Fund Discretionary	487120 - General Fund Discretionary One-Time	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	Personnel	511100 - Regular (perm full time)	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Revenue	General Fund Discretionary	487120 - General Fund Discretionary One-Time	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	External Materials and Services	529000 - Miscellaneous services	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Revenue	General Fund Discretionary	487120 - General Fund Discretionary One-Time	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	External Materials and Services	529000 - Miscellaneous services	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	External Materials and Services	532000 - Operating supplies	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	External Materials and Services	539000 - Other commodities external	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	External Materials and Services	541000 - Education	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	External Materials and Services	542000 - Local travel	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	External Materials and Services	542400 - Out-of-town travel	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	Internal Materials and Services	651112 - Leases	0	
GRLG000001 - Government Relations	0	0 - Non-Project	Expense	Personnel	511100 - Regular (perm full time)	0	

in	2021-22	2021-22	2021-22	2021-22	2021-22
d	SPRING	SPRING	SPRING	SPRING	SPRING
	Revised	Requested	Requested	Recom	Proposed
	Base	Adj	Total	Total	Total
0	0	27,778	27,778	0	0
0	0	27,778	27,778	0	0
0	0	27,661	27,661	0	0
0	0	27,661	27,661	0	0
0	0	-60,000	-60,000	0	0
0	0	-60,000	-60,000	0	0
0	0	-12,000	-12,000	0	0
0	0	25,000	25,000	0	0
0	0	-2,000	-2,000	0	0
0	0	-5,000	-5,000	0	0
0	0	-10,000	-10,000	0	0
0	0	-22,000	-22,000	0	0
0	0	-25,000	-25,000	0	0
0	0	51,000	51,000	0	0

Business Area Projection Report

Office of Government Relations - Fund 100

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	\$373,861	\$112,091	\$355,456	95%
Internal Materials and Services	\$251,081	\$151,468	\$246,506	98%
Personnel	\$1,938,176	\$1,155,762	\$1,791,420	92%
Sum:	\$2,563,118	\$1,419,320	\$2,393,382	93%

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Charges for Services	\$0	\$56,600	\$56,600	#DIV/0
General Fund Discretionary	\$990,586	\$0	\$764,250	77%
General Fund Overhead	\$1,266,532	\$0	\$1,266,532	100%
Interagency Revenue	\$266,000	\$251,000	\$266,000	100%
Intergovernmental	\$40,000	\$40,000	\$40,000	100%
Miscellaneous	\$0	(\$27)	\$0	#DIV/0
Sum:	\$2,563,118	\$347,573	\$2,393,382	93%

Revenue Discussion

The majority of the Office of Government Relations' (OGR) funding is from General Fund dollars, with revenues supplemented by interagency agreements and one intergovernmental agreement. In the approved FY 2020-2021 Spring BMP, OGR received American Rescue Plan grant funding for two limited-duration positions for three years.

Revenue Risks

As a bureau that relies largely on the General Fund, future declines in City revenues are a serious concern to the Office of Government Relations. Given the relative size of the Bureau and the programmatic workload delegated to each respective FTE, even small percentage reductions would result in a notable impact to bureau services. Possible reductions in interagency or intergovernmental funds would compound this risk.

Expenditure Discussion

Business Area Projection Report

The Office of Government Relations is expected to spend 93% of its FY 2021-2022 budget. The Office is currently staffed by 12 FTE under general fund, and two limited term positions under the American Rescue Plan Grant fund, with approximately 30% of the fiscal year remaining. The Office recently experienced many staffing transitions, including the Director, Deputy Director, Federal Relations Manager, State Relations Manager and State Associate positions. Recruitment of these vacancies are currently underway or pending. The Office budget primarily supports personnel compensation, programmatic functions such as travel, events, professional development and training, and overhead and operational expenditures.

The underspending in External Material and Services (EMS) that allows for the decision package for technical adjustments and programmatic carryover (mentioned in the paragraphs below) are partly due to the COVID-19 pandemic, curtailing expenditures for staff travel, in-person training and professional development and other program activities. Therefore, OGR projects 5% remaining in EMS after the adjustments are made, and additional programmatic activity expenditures are taken into consideration for the remainder of the fiscal year

The COVID-19 pandemic delayed the Office from completing its strategic plan, which expired in 2020, as well as spending in areas such as out-of-town travel, programmatic activities, and in-person training and professional development. OGR will be requesting a carryover to complete the 2021-2025 strategic planning process in this Spring BMP as it did during the prior year Spring BMP process, due to further delays of procuring a consultant for completing the work, as well as the transition of Office leadership and staffing. Compounded by the Covid-19 pandemic and mandatory restrictions, the Strategic Planning process has continually been delayed. In addition, out-of-town travel has been impacted for the Federal Relations and International Relations Programs. Other factors for underspending are due to lack of normal programmatic operations, such as trainings and professional development which would otherwise be conducted in-person.

Expenditures in Internal Material and Services (IMS) are projected at 2% remaining, and are based on general internal service expenses and technology to support Bureau staff who are in a full telework environment. Also, due to the Covid-19 pandemic and limitations to in-person gathering for the State Legislative session, staff have not traveled from Portland to Salem, resulting in zero usage of Motor Pool Lease expenditures for the State Relations Program, which is a part of the IMS budget. Therefore, a portion of the budgeted amount for leases (651112) is requested in a technical adjustment to EMS to expand office space and capacity to accommodate staff growth, and provide adequate furnishings in anticipation of staff returning to the office in the coming months from the pandemic. Internal Material and Services expenditures are generally internal services costs passed onto City bureaus for operational needs, and largely expected to be fully expended by the end of the fiscal year.

OGR anticipates returning approximately 7% of its overall underspending back to the General Fund at the end of FY 2021-2022.

Expenditure Risks

The Office of Government Relations largely operates its five programs with General Fund dollars. Budget reductions would likely impact the personnel budget and ability of the Office to uphold service levels. Budget cuts could also result in insufficient resources to continue supporting the Office's programs.

Other Notes

Revenue line of Special Charges (SC) are from internal City bureaus and other external entities for registration fees for the Tribal Nations Summit in the Tribal Relations Program, which are budgeted to pay for vendors procured to execute the event.

Business Area Projection Report

Office of Government Relations - Fund 100

Major Object	2021-22 SPRING Revised Base	2021-22 SPRING Total ADJ	2021-22 SPRING Requested Total	Requested Adjustment as % of Total Requested Budget
External Materials and Services	459,861	-86,000	\$373,861	-23.00%
Internal Materials and Services	276,081	-25,000	\$251,081	-9.96%
Personnel	1,831,737	106,439	\$1,938,176	5.49%
Sum:			\$2,563,118	

Major Object	2021-22 SPRING Revised Base	2021-22 SPRING Total ADJ	2021-22 SPRING Requested Total	Requested Adjustment as % of Total Requested Budget
Charges for Services	0	0	\$0	#DIV/0
General Fund Discretionary	995,147	-4,561	\$990,586	-0.46%
General Fund Overhead	1,266,532	0	\$1,266,532	0.00%
Interagency Revenue	266,000	0	\$266,000	0.00%
Intergovernmental	40,000	0	\$40,000	0.00%
Miscellaneous	0	0	\$0	#DIV/0
Sum:			\$2,563,118	

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