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March 17, 2022

TO: Jessica Kinard, City Budget Office  
FR: Tom Rinehart, Chief Administrative Officer  
CC: OMF Leadership Team  
RE: OMF FY 2021-22 Spring Budget Monitoring Process Submission

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Attached, please find the Office of Management and Finance's submission for the FY 2021-22 Spring Budget Monitoring Process Report.

If you have any questions about the submission, please contact Aaron Beck or Aaron Rivera in OMF Business Operations. Thank you for your review and consideration of OMF's Spring submission.



**OMF** OFFICE OF  
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AND FINANCE

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Office of Management and Finance (OMF)  
FY 2021-22 Spring BMP

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**Office of Management and Finance**

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## Office of Management and Finance – CAO DAM

### Reporting on Climate Action Investments

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

**Budget Note Language:**

The Bureau of Planning and Sustainability and the Office of Management and Finance Division of Asset Management will report annually on the outcomes of the investments in climate action associated with green fleet and carbon reduction efforts for the next three years. Both bureaus will set clear definitions of success, including benchmarking performance measures for program evaluation prior to implementation of the initiatives. It is understood that the efforts underway will take time to implement, including the build-out of Green Fleet infrastructure and changes to consumption and use patterns. As the FY 2020-21 budget only includes limited resources for program expansion, it is critical to Council and the community that measurable results are achieved to warrant continued investments.

**Summary Status:** Underway

**Budget Note Update:** March 25<sup>th</sup>, 2021

CityFleet’s goal for green fleet conversion is to help the City reduce its carbon emissions to 50% of 1990 levels (or lower) by 2030, and achieve net zero carbon emissions before 2050, while ensuring that the measures adopted to create this outcome are economically beneficial and cost-effective for impacted bureaus, the City, and taxpayers.

Designing and implementing the City’s green fleet transition plan is a multi-year process. First, the organizational resources and methodologies to do this work need to be developed, which is the focus of FY 2020-21. Second, the physical infrastructure to support a converted green fleet – specifically access to affordable charging – needs to be developed, which will most likely happen in FY 2021-22. Finally, fleet conversion must occur, which is already in flight for certain asset classes, but will likely accelerate as charging becomes more routinely available and harder-to-convert vehicle classes come to market.

In FY 2020-21, CityFleet and the Bureau of Planning and Sustainability have:

- Hired the City’s first Green Fleet Analyst, who is developing and institutionalizing analytical methods that are key to cost-effective green fleet conversion, including fleet/bureau utilization analysis; vehicle total cost of ownership/lifecycle analysis; and a concept sketch of what an economically beneficial multi-year conversion plan might look like. Design of these analytical tools began in January 2021 and is in process now.
- Engaged bureaus in discussions related to vehicle standardization, particularly for new green vehicles; this includes “rodeos” to introduce bureau partners and users to new types of electric vehicles, such as the Global Environmental electric sweeper, the Lordstown Endurance truck, and the Electrameccanica Solo. The first “rodeo” was held February 3, 2021 and this type of change management work will need to happen routinely henceforth to help bureaus understand and embrace the changes that will come with fleet conversion.
- Engaged in significant advocacy with the Oregon Public Utility Commission (OPUC) regarding changes that the City would like to occur to electric utility regulation - allowing for the at-scale, cost-effective development of “make ready” infrastructure (*i.e., infrastructure that will connect the existing utility-owned electric distribution system to on-site charging equipment*). These discussions are happening with the OPUC, focusing on City support for a docket that Portland General Electric (PGE) brought before the Commission that would enable a reasonable credit for fleet line extension build-outs. A decision on PGE’s docket is anticipated by Spring 2021.
- Developed a Charging as a Service Request for Proposal, which will go hand-in-hand with make ready infrastructure to support the cost-effective provision of charging equipment access, “fuel”

administration for bureau customers, and CityFleet via a per-port charging subscription service. Issuance of this RFP is anticipated in Spring 2021.

- Worked with PGE to do a preliminary assessment of the City’s fleet to identify which vehicles have a positive economic case for conversion already. From this assessment, it appears that approximately 720 vehicles could be cost-effectively converted over the next 10 years depending on the cost of charging (make ready costs plus the charging subscription). This work was originally completed in Fall 2020 – but is ongoing as business case assumptions are refined.

**Summary Status:** Underway

**Budget Note Update:** September 9<sup>th</sup>, 2021

Since March 25, 2021, CityFleet and the Bureau of Planning and Sustainability have:

- Completed the development of a fleet/bureau utilization analytical methodology; completed the development of a vehicle total cost of ownership/lifecycle analysis methodology; and developed the concept sketch of what an economically beneficial (i.e., fiscally and socially responsible) multi-year conversion plan might look like.
- Continued to host green fleet presentations to help bureaus develop more comfort with electric vehicles; standardization discussions are anticipated to happen starting in Spring 2022.
- Successfully supported Portland General Electric in getting approval with the Oregon Public Utility Commission for development of a fleet charging pilot program; the City now has three pilot projects in flight with PGE under this program, with savings (compared to had the program not been approved) estimated at \$194,000 so far.
- Issued a Charging as a Service RFP, which will close September 15.
- Continued to refine our perceptions of what vehicles are viable for economic conversion to a green fleet model, based on the analysis originally done by PGE, with more detailed information on charging requirements and charging access (which were not originally included in the analysis).

**Summary Status:** Underway

**Budget Note Update** for FY 2021-22 Spring BMP submitted March 17, 2022:

- CityFleet’s analyst successfully applied for and received \$2.7M in grant money from the Oregon DEQ for the procurement of 9 new heavy duty electrical vehicles and associated fast charging. Additional grant applications for supplementary funding are in flight. Vehicles will be assigned to PBOT.
- CityFleet is strategizing to apply for additional EV infrastructure build out/pilot opportunities with the program that we worked with PGE to build, and advocated with the OPUC to create. We are also working with Pacific Power to help them evolve a similar program to help create opportunities for City facilities/operations that are in Pacific Power-owned territory.
- CityFleet completed the Charging as a Service RFP, contracting with a local minority-owned contractor, Op Connect, to provide the City with charging services for the next five years.
- CityFleet continues to host vehicle rodeos to acclimate bureau users to EV typologies. Vehicle standardization discussions are on hold while other acquisitions process improvements are carried out. Likewise, refinements of our model and conversion timeline are in flight, with a short-term focus on utilization and encouraging bureau customers to operate a “lean” fleet.

### Phase-in Major Maintenance Rate Increase

**Date of Budget Note:** July 1, 2019 in the FY 2019-20 Adopted Budget

**Budget Note Language:** Council directs OMF to work with CBO and customer bureaus to develop a plan to phase-in increases to the major maintenance component of rental rates for Facilities Services-owned buildings. OMF will present the phase-in plan to customer bureaus in the Business Operations Leadership Team for vetting. Based on the outcome of that discussion, a plan to increase the major maintenance component of the rental rate should be submitted with OMF's FY 2020-21 Requested Budget. The plan should include recommendations and supporting analysis for a phase-in timeline, analysis of the major maintenance backlog, and analysis of rental rate and tenant impacts.

**Summary Status:** Underway

**Budget Note Update:** March 25<sup>th</sup>, 2021

Shortly after planning work began on the original budget note for phasing in major maintenance, it became apparent that before OMF Facilities could propose a plan to phase in major maintenance rate increases, an asset management program needed to be developed to ground and justify proposed increases. An asset management program will routinely assess facility conditions and anticipate future facility needs to articulate a plan for each site in our organization's facility portfolio (along with a broader facility disposal and acquisition plan).

A software system that houses condition data on facility assets, helps Facilities design value-driven maintenance plans, and enables Facilities to implement those plans via work management tools is central to the development of a comprehensive asset management program. Similarly, there is an enduring need for the resources to conduct routine facility condition assessments, which are key for informing thoughtful short-and long-range capital planning.

Because of COVID-19, OMF Facilities' budget request for a new asset management software system and facility condition assessment support was pushed from FY 2020-21 to FY 2021-22. This was submitted with OMF's requested budget and has been recommended for funding by CBO in FY 2021-22. As these resources come online, OMF Facilities will leverage them to assess the health of its facility asset base and advocate for major maintenance strategies and funding levels that are appropriate given facility conditions and plans.

**Summary Status:** Underway

**Budget Note Update:** September 9<sup>th</sup>, 2021

Much progress has been made regarding implementation of an Enterprise Asset Management system. A decision package to fund the one-time and ongoing costs of a EAM system and Facilities Condition Assessment program was approved as part of the FY 2021-22 budget process. Defining requirements for the EAM implementation project are proceeding and have been sent to vendors the City can contract with for an EAM system. The Division hopes to select vendor in December and begin contract negotiations. This will allow for implementation to begin in 2022. The Facilities Conditions Assessment program will start up in 2022 too as a position is brought onboard.

However, in this last year we have found that the conditions of many facilities have deteriorated significantly, and a few need significant repairs. At the same time, costs resulting from repairs due to civil unrest have decreased some major maintenance accounts. City Hall and Police are in the worst shape with unfunded projects of \$7.2 million and \$11.9 million respectively. As a result, the Division is yearning for the EAM system and FCA program abilities to build the case for major maintenance rate increases. The need is real and now. The Division intends to request major maintenance rate increases

in the FY 2022-23 budget process and possibly a General Fund capital set aside request for a Justice Center condominium project.

<b>Summary Status:</b> Underway
<b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022: <ul style="list-style-type: none"><li>• Facilities’ is contracting with a vendor for our new EAM system right now; we anticipate that system implementation/data conversion will commence this summer and “go live” will happen in Fall/Winter. Along with this, our Facility Condition Assessor position is being evaluated by Class Comp with recruitment anticipated to begin in April 2022. This position will work within a broader Facilities Planning department that DAM began envisioning and working to onboard starting in late fall 2021. This team will reflect the core competencies required to do effective asset management: a Planning Manager (with a background in real estate, to support portfolio-level long-range planning and action); a Needs Assessor (to do capacity analysis and understand changing bureau needs regarding square footage, space types, and facility locations); the Condition Assessor (to understand facility conditions); and a Financial or Management Analyst (to do the long-range capital planning, inclusive of major maintenance calculations). DAM has found ways to manifest all of these positions, with the exception of the Needs Assessor position, which will need to be a Limited Duration role, as neither position funding nor FTE authority exist. Together, this team will manage OMF Facilities’ asset management program and develop a long-range capital plan (inclusive of major maintenance) - ideally scaling our services to support other facility-owning bureaus if and as such services are needed.</li><li>• With regard to the major maintenance accounts specifically, PPB accounts and the City Hall account will be fully depleted as of the end of this year. Thus, DAM is becoming reliant on capital set-aside funding to help finance major projects (beyond those that can be funded with one years’ worth of revenue/income from rents).</li><li>• A broader conversation is needed with the City (CBO and Council in particular) on the state of OMF Facilities’ capital accounts (both major maintenance and recapitalization funding). DAM is aspiring to host this conversation with Council in Summer 2022.</li></ul>

#### CityFleet Kerby Garage Relocation Proposal

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

**Budget Note Language:** Kerby Garage is functionally obsolete due to the poor condition of the facility. It is unable to be upgraded to accommodate green fleet requirements, it is located in a landslide zone and thus unable to fulfill its resilience obligations, and has a layout that precludes the provision of efficient service to the bureaus. This results in the routine waste of City resources due to service delays and disruptions in operations. Recognizing these long-standing deficiencies, OMF is directed to prepare a proposal in FY 2021-22 to relocate CityFleet for Council’s consideration in the FY 2022-23 budget process. The proposal will include an evaluation of options, recommendations, cost estimates, and funding plan.

<b>Summary Status:</b> Complete
<b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022:

- The relocation need was studied and a proposal submitted via a decision package in time for the FY 2022-23 budget. However, the financial need is very large, and thus likely requires more time to socialize across the City than was available given the budget timeline and process. Likewise, this need, along with PPB and City Hall needs, should be featured in a larger conversation that DAM needs to have with Council, the CBO, and our City partners regarding the state of facility health at the City, the depth of facility capital needs, and the City's strategy to address those needs. At present, the CBO has not recommended our CityFleet relocation package, perhaps due to the absence of this broader conversation.

## Office of Management and Finance – BHR

### Central Accommodations Fund Tracking

**Date of Budget Note:** July 1, 2019 in the Prior Year FY 2019-20 Adopted Budget

**Budget Note Language:** Council directs the Bureau of Human Resources to develop a system by which funds being used out of the central ADA Title I Accommodation Fund can be tracked in order to determine the appropriate level of General Fund support for this fund on an annual basis. The bureau shall also develop a process for how bureaus should access the resources in order to best achieve the City's accommodation goals. The bureau will annually true-up expenses to resources in the Over Expenditure Ordinance, and excess funds will fall to the General Fund balance.

**Summary Status:** Underway

**Budget Note Update:** March 25<sup>th</sup>, 2021

City bureaus continue to use the ADA Title I Accommodation Fund to equitably support job applicants, interns, and employees with disabilities, and to fulfill the City's legal obligation to provide reasonable employment accommodations for people with disabilities.

As of March 2021, there are 329 employees who self-identify as having a disability out of 6,805 employees, or 4.8% of the City's workforce. In FY 2019-20, the Bureau of Human Resources (BHR) approved funding requests to support nine employees from eight bureaus. In FY 2020-21, as of March, additional funding requests have been approved by BHR to support nine employees and one job applicant from eight bureaus.

At the start of FY 2019-20, the City of Portland began its ADA Title I Accommodation Fund with \$150,000. As of March 22, 2021, \$50,437 (34%) of the City of Portland's ADA Fund has been approved by BHR for purchasing work-related products or services to support City employees. Overall, \$10,116 has been charged to the ADA Fund since its creation in July 2019. The onset and impact of the COVID-19 pandemic likely accounts for the significant difference between approved and actual charges. For example, new safety requirements in mid-March 2020 resulted in an immediate halt of in-person services, which comprised approximately 87% of the approved funding requests for FY 2019-20. A Citywide hiring freeze for most of 2020 and postponement of major disability employment initiatives (such as the Access to Work program) also significantly reduced opportunities to proactively include people with disabilities into the City's talent pools and workforce, in turn leading to fewer opportunities to fund reasonable disability-related employment accommodations.

The unspent balance in the ADA Fund (approximately \$139,000) will be carried forward.

**Summary Status:** Underway

**Budget Note Update:** September 9<sup>th</sup>, 2021

City bureaus continue to use the ADA Title I Accommodation Fund to equitably support job applicants, interns, and employees with disabilities, and to fulfill the City's legal obligation to provide reasonable employment accommodations for people with disabilities. No additional funds are required during the Fall BMP, but BHR will continue to monitor the account and plan to seek additional funds during the FY 2022-23 Budget to replenish the Fund back to original funded levels of \$150,000.

As of August 31, 2021, there are 372 employees who self-identify as having a disability out of 7,349 employees (including casual employees), or 5.1% of the City's workforce. In FY 2019-20, the Bureau of Human Resources (BHR) approved funding requests to support nine employees from eight bureaus. In FY 2020-21, additional funding requests have been approved by BHR to support nine employees and one job applicant from eight bureaus. For FY 2021-22 to date, three new requests have been approved for two employees from two bureaus. Since its creation, a total of twelve City bureaus, nineteen employees, and one job applicant have benefited from the Fund.

<p><b>Summary Status:</b> Underway</p>
<p><b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022:</p> <p>City bureaus continue to use the ADA Title I Accommodation Fund to equitably support reasonable accommodations needed by job applicants and employees with disabilities and to fulfill the City's legal obligations. As of January 27, 2022, there are 389 City employees (5.5% of the workforce) who self-identified as having a disability or a record of having a disability out of 7,049 employees, including casual employees. In FY 2020 – 2021, a total of 13 requests to support 9 employees from 8 bureaus was approved. For FY 2021-2022 to date, 11 requests to support 10 employees representing 9 bureaus have been approved. With reentry scheduled for April, there is a potential that an uptick in requests will be experienced.</p>

### **Equitable Recruitment, Retention, and Promotion of African American and Black Employees**

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

**Budget Note Language:** In October 2020 the City African American Network (CAAN) released the results and recommendations of a survey they conducted, which showed many personal accounts of discrimination, job security fears, and a consistent want for more black leadership. In March 2021 CAAN followed this up with a report on City of Portland Black Workforce Data, daylighting the disparities in both hiring and retention of African American and Black employees and highlighting the successes of investing in Black advancement in the Diverse Empowered Employees of Portland hosted Leadership Development Program. This budget note directs the scheduling of a work session to make space for CAAN to present the findings of their reports and discuss with Council a partnership with the Bureau of Human Resources on the implementation of their recommendations from their March 2021 report. The Bureau of Human Resources, with the City's core values as the foundation and in shared ATTACHMENT D -BUDGET NOTES - 5 - accountability with City Bureaus and representatives from CAAN, shall then co-create a proposal for a program promoting equitable recruitment, retention, and promotion of African American/Black employees across the City of Portland through robust changes in current hiring practices, mentorship programs, affinity spaces, and mental health support. The proposal shall also

address pay equity of African American/Black employees in support of Oregon’s Equal Pay Act and be informed through collaboration with CAAN to create safe, equitable space for employees. No

<b>Summary Status:</b> (Underway)
<b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022:  Both BHR and the Citys African American Network (CAAN) held separate Council work sessions in FY 2021-22 to speak about opportunities to improve and strengthen equitable recruitment, retention, and promotion of African American/Black employees across the City of Portland through robust changes in current hiring practices, mentorship programs, affinity spaces, and mental health support. The BHR Director and representatives from CAAN have not presented additional collaborative proposals after the conclusion of the work sessions in October of 2021. BHR has completed its required Oregon Equal Pay Act analysis and employee pay for those impacted have been adjusted, which included adjustments to Black employees. BHR is committed to working with CAAN to come to Council with collaborative trauma informed recommendations moving forward.

**Bargaining in good faith with labor partners**

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

**Budget Note Language:** The City acknowledges its duty to bargain in good faith over wages, including Cost of Living Adjustments (COLA). The City further acknowledges its requirement to maintain the status quo for step increases during bargaining.

<b>Summary Status:</b> Complete
<b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022: BHR’s Labor Relations team is responsible for negotiating new and successor collective bargaining agreements with the City’s labor representatives. These contracts include provisions on wage scales related to the nature of the work performed and adjusted in accordance with business demands as well as market competitiveness. COLA adjustments within the City’s contracts are provided based on federal Consumer Price Indices and are subject to negotiated minimum and maximums defined in these agreements.

**Options for Employee Wages and Benefits in FY 2021-22**

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

**Budget Note Language:** In order to address the resource gap in FY 2021-22, the Proposed Budget does not include COLA or Merit for non-represented employees or COLA and Step increases for open contracts, subject to good faith bargaining and status quo obligations.

This budget note directs the Bureau of Human Resources to investigate options for offering nonrepresented employees and employees with open contracts other wage and benefit options in the FY 2021-22 Budget. This report will be presented to Council in Executive Session on or before September 15, 2021.

<b>Summary Status:</b> Complete
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**Budget Note Update** for FY 2021-22 Spring BMP submitted March 17, 2022:

In July of 2021, all merit eligible non-represented staff were provided with a 1.6% COLA and a set 2% Merit increase. Both collective bargaining agreements that were open during this time have reached agreement and were awarded a retroactive 1.6% COLA for eligible members. Through-out the pandemic employees were provided additional emergency paid sick leave and safety net programs allowing for reduced hours, leaves of absence and safety net severance options. BHR also processed requests for work share benefits on behalf of employees subjected to furloughs to ensure entitlement of federal weekly benefits, offsetting the financial impact of lost time to employees.

## Office of Management and Finance – CAO

### Program Support for Build Portland

**Date of Budget Note:** July 1, 2019 in the FY 2019-20 Adopted Budget

**Budget Note Language:** Council directs the City Budget Office to reallocate \$100,000 from Build Portland resources on an ongoing basis to fund Build Portland program administration and service costs within the Office of Management & Finance. These costs include internal and external costs related to branding, outreach, coordination and costs related to the administration of the program.

**Summary Status:** Underway

**Budget Note Update:** March 25<sup>th</sup>, 2021

Initiation of this work requires clarity on returning revenue and priorities for those dollars. OMF intends to provide a Build Portland overview, including an update on Phase 1 projects, the status of the Phase I line of credit and approved bond, and advocate for the need to allocate returning tax revenue for future Build Portland phases to City Council in late April.

**Summary Status:** Underway

**Budget Note Update:** September 9<sup>th</sup>, 2021

Build Portland was established with the intention to utilize the returning revenue from expiring Urban Renewal Areas which were expected to be available in substantial amounts in 2022-23. In addition, when the program was established, while Phase I was secured, future phases of Build Portland require Council to approve the funding and projects in each phase, with consideration of the highest- and best use at that time for the returning revenue and general fund debt capacity. It is not possible to initiate the future Build Portland phases until there is clarity on returning revenues and priorities for those dollars, which is anticipated to have some clarity with the initiations of the following FY 2021-22

Budget Note:

**FY 2021-22 Budget Note: Expiring Tax Increment Finance Districts and Returning Property Tax Revenue**

The anticipated completion of 13 current Tax Increment Finance (TIF) Districts will result in increased resources returning to the assessment rolls and the City's General Fund, beginning in FY 2021-22. The City Economist has begun assuming these resources as part of the balanced five-year forecast. The City Economist and Debt Management are directed to provide an updated forecast of anticipated revenues over the next ten-years and the relationship of those resources to projected expenditures under current service levels and General Fund commitments. The City Budget Office and the Chief Administrative

Officer are directed to provide this information to Council Offices and subsequently lead a work session to discuss potential investment options for any anticipated excess available resource.

<b>Summary Status:</b> Underway
<b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022: The requested information was provided, and the directed work session held with Council on March 14, 2022. With the uncertainty of additional funds allocated for Build Portland, and in support of ongoing investments in citywide asset management, OMF is proposing to repurpose the ongoing \$100,000 in Build Portland resources to fund a Coordinator position that would provide staff support for the City Asset Managers Group (CAMG) and assistance implementing the newly adopted citywide asset management policy.

### Expiring Tax Increment Finance Districts and Returning Property Tax Revenue

**Date of Budget Note:** July 1, 2021 in the FY 2021-22 Adopted Budget

**Budget Note Language:** Expiring Tax Increment Finance Districts and Returning Property Tax Revenue

The anticipated completion of 13 current Tax Increment Finance (TIF) Districts will result in increased resources returning to the assessment rolls and the City’s General Fund, beginning in FY 2021-22. The City Economist has begun assuming these resources as part of the balanced five-year forecast. The City Economist and Debt Management are directed to provide an updated forecast of anticipated revenues over the next ten years and the relationship of those resources to projected expenditures under current service levels and General Fund commitments. The City Budget Office and the Chief Administrative Officer are directed to provide this information to Council Offices and subsequently lead a work session to discuss potential investment options for any anticipated excess available resource.

<b>Summary Status:</b> Underway
<b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022:  OMF, BRFS and CBO provided the requested information and held the directed worksession with Council on March 14, 2022.

### Enhanced Service District Community Engagement & Coordination

**Date of Budget Note:** July 1, 2021 in the FY 2021-22 Adopted Budget

**Budget Note Language:** **Date of Budget Note:** July 1, 2019 in the FY 2019-20 Adopted Budget

**Budget Note Language:** Council directs the Chief Administrative Officer (CAO) to hire a Coordinator and to meaningfully engage the community about services provided by Enhanced Service Districts and the impacts districts have on the community, establish clear equitable criteria for the development and oversight of districts, provide oversight and policy recommendations in line with the City’s Core Values. Additionally, the CAO will perform a comprehensive review of the districts and report back to council on results of the review and the engagement process. The information will be incorporated into any district agreements. The deliverables will be:

- an engagement process that includes the people, businesses and organizations that are most affected by the districts.
- clear criteria for development of future and oversight program of existing districts

- a comprehensive response to Audit 529 Enhances Services Districts: City provides little oversight of privately funded public services.

The CAO shall present recommendations to Council prior to any ESD contract coming before council for renewal.

<p><b>Summary Status:</b> Underway</p> <p><b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022:          The Office of the Chief Administrator established an Enhanced Service District Program with a Coordinator to provide oversight of the district agreements, engage the community in the negotiation of ESD agreements, and respond to Council’s concerns and those raised in Audit 529 Enhances Services Districts.</p> <p>In the short time the Coordinator has been leading the program, the program has:</p> <ol style="list-style-type: none"> <li>1. Initiated a multi-year phased response that addresses the audit recommendations to ensure district services are equitable and governance is inclusive and transparent, with City Code revisions that govern district formation, public spaces services, district governance, and accountable and transparent reporting; revised City/district agreements to reflect these code adjustments; and developed a process for effective City oversight of district agreements.</li> <li>2. City Council approved a new 5-year contract with Clean &amp; Safe, including new elements that provide the City with more oversight and new requirements for transparency and reporting, reflecting the audit recommendation. The new contract also maintains the City’s ability to further change the agreement based upon any changes to City Code resulting from the auditor response.</li> <li>3. Initiated negotiations for a new five-year contract with Central Eastside Together, with the goal of incorporating similar audit response elements as Clean &amp; Safe.</li> <li>4. Enhanced relationships and increased public engagement through the creation of a City ESD website with increased district information; conducted outreach to stakeholders and the general public, and increased transparency regarding timelines, process, and ways to be involved in the audit response and contract renewal processes.</li> </ol> <p>The ESD Coordinator is working to reform the ESD agreements to align them with the City’s Core Values. An overview of the Audit Response was provided to Council in Fall 2021 with the first phase of the response starting late Spring 2022. The Audit response is a key deliverable in FY 22/23</p>
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## Office of Management and Finance – Community Safety

### Program Evaluation of Portland Street Response

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

**Budget Note Language:** In February of 2021 the Portland Street Response pilot launched, and in May of 2021 Portland Street Response formalized an agreement with Portland State University’s Homelessness and Research Action Collaborative for Program Evaluation Services. This agreement includes the provision of two reports to Council – one after 6 months, and one after 12 months of program implementation and data collection.

This budget note directs Portland Street Response to schedule a work session for the City Council after the six- and twelve-month marks of the program in collaboration with the ATTACHMENT D -BUDGET NOTES - 6 - Community Safety Transition Director. Each work session should include reporting about the pilot's performance against key metrics including impact on workload for Fire and Police bureau staff and number and type of calls responded to; and recommendations on how to improve the program, based on evaluation findings.

To ensure the evaluation is conducted under an appropriate study of call demand, response performance, and program outcomes while continuing to focus on one neighborhood (Lents) through March 2022, Portland Street Response (PSR) is directed to work with the Bureau of Emergency Communications and the Portland Police Bureau (PPB) to expand the call criteria addressed by the pilot, including the possibility of responding to housed individuals. Additionally, the Police Bureau shall seek all opportunities to shift calls for service involving mental health to Portland Street Response, while continuing to acknowledge and document the risks and benefits of the new policies. Finally, the Community Safety Transition Director shall work with Portland Fire & Rescue to perform a cost benefit analysis of the program and propose any new revenue options that become available by March 2022.

**Summary Status: Underway**

**Budget Note Update** for FY 2021-22 Spring BMP submitted March 17, 2022:

Portland State University provided the City with a comprehensive six-month evaluation of the Portland Street response program. The 6-month evaluation included nine recommendations for the Portland Street Response program which include:

1. Expand Portland Street Response
2. Trust the team to lead, but provide them with ample support
3. Increase Community Outreach and Education
4. Address 911 capacity issues and provide PSR-specific support to dispatchers
5. Educate first responders on co-response and collaboration
6. Keep PSR housed within Portland Fire & Rescue
7. Address gaps that prevent PSR from connecting clients to resources
8. Refine data procedures and revisit outcome measures
9. Advance racial equity

The one-year work session with Portland City Council is scheduled for April 26<sup>th</sup>. The full PSU six-month evaluation report [can be found here](#).

**Analysis of Unarmed Response Program at the Police Bureau**

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

**Budget Note Language:** The community safety officer – or Public Safety Support Specialist – program provides an unarmed alternative response model in the Portland Police Bureau. The program, which focuses on low-acuity emergency calls and frees up sworn officer time to focus on higherpriority emergency calls, was first established in FY 2017-18. The job class specification and responsibilities for

community safety officers were negotiated between the City of Portland and the Portland Police Association, which represents these employees.

The Community Safety Transition Director, City Budget Office, and Police Bureau are directed to work together to propose a set of performance measures that will track outcomes of the program on an ongoing basis. The Police Bureau is also directed to provide an initial report on these measures by the end of calendar year 2021 in order to inform the budget development process for Fiscal Year 2022-23. This evaluation should include an analysis of day-to-day activities and outcomes of the program; a cost-benefit analysis of the program; and an assessment of the alignment of an expanded PS3 program and the current efforts to reimagine the City's approach to community safety. The report should include recommendations to maximize the community visibility and presence of these community safety officers; and to increase the volume of calls these employees take in order to free up as much patrol officer capacity as possible. The Police Bureau is further directed to establish the program as a program offer in its FY 2022-23 Requested Budget.

<b>Summary Status:</b> Underway
<b>Budget Note Update</b> for FY 2021-22 Spring BMP submitted March 17, 2022:  The bureau completed a report on the Public Safety Support Specialist by the end of the calendar year. Following submission of the report, Council requested that the report be independently evaluated by a third party. The bureau has contracted with a consultant to conduct the peer review. The consultant started meeting with PPB in February and expects to have their evaluation completed by the end of March.  The bureau followed budget note direction and established the Public Safety Support Specialist program as its own program offer in the FY 2022-23 Requested Budget.

### Alternative Delivery Models for Medical Calls

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

**Budget Note Language:** Currently, seventy percent of Portland Fire & Rescue's calls for service are for medical calls, while thirty percent are for fires and other rescues. This suggests a misalignment between our community's needs and the City's current model, which must be addressed. To this end, I direct the Community Safety Transition Director to work with Portland Fire & Rescue, the Bureau of Emergency Communications, and the City Budget Office to issue a report to Council by December 31, 2021 that identifies alternative delivery models that would provide more appropriate response to medical calls for service. A critical consideration will be how alternative approaches enable the bureau to maintain or improve services for fire and other hazard-type calls. The report may consider revenue-generating activities, should reflect BOEC's adoption of ProQA (priority medical dispatch), and will inform the City's position on funding for contracted ambulance services.

As the Community Safety Transition Director evaluates response models and call load management practices, the City Budget Office is directed to reduce the Current Appropriation Level (CAL) target for Portland Fire & Rescue by the cost of the Rapid Response Vehicles (RRV) program in the fall of FY 2022-23 in preparation for the FY 2023-24 budget development process.

<b>Summary Status:</b> Underway
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**Budget Note Update** for FY 2021-22 Spring BMP submitted March 17, 2022:

Portland Fire & Rescue is taking the lead on providing an update for this Budget Note, based on the progress on its CityGate study.

CSD's Call Allocation and Staffing Study (see Decision Package Update on Consultant Review of Police Staffing Model) will incorporate findings from the CityGate study and look broadly at the allocation of 911 calls across public safety bureaus. This study is expected to begin in August 2022 and be completed in Fall 2023.

**Coordination with Community Based Organizations and the City**

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

**Budget Note Language:** On April 7, 2021 Council unanimously passed Ordinance 190355 to work in partnership with Community Based Organizations to reduce the impact of gun violence in our community. That ordinance outlined a number of steps the City must take to transform our Community Safety system and this budget note seeks to provide further direction, in alignment with the intent of the original ordinance.

The Community Safety Director and Office of Violence Prevention are directed to co-create an agreement with the Community Based Organizations they contract with on safety protocols. The co-creation of these protocols will ensure that our Community Partners and the Police Bureau will have clear protocols, and that Community Partners will know what the safety protocols are, and why they are being asked to show up at the request of the Police Bureau.

The Community Safety Director is directed to advise on the appropriate operational protocols for how the Office of Violence Prevention and Police Bureau will engage with Community Based Organizations.

The Community Safety Director is directed to provide an update to Council by November 1, 2021.

**Summary Status: Underway**

**Budget Note Update** for FY 2021-22 Spring BMP submitted March 17, 2022:

Safety protocol discussions began late summer of 2021 and are ongoing following the trends of gun violence.

**Office of Management and Finance – BTS**

**Prioritization of Office 365 implementation at the Police Bureau**

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

**Budget Note Language:** To ensure timely and successful compliance with the Department of Justice settlement which is a prerequisite to the City's ability to begin critical community safety transition work, the Council ATTACHMENT D -BUDGET NOTES - 7 - directs that implementation of Office 365 in the Police Bureau be prioritized by the Bureau of Technology Services and the Police Bureau.

**Summary Status:** (Underway)

**Budget Note Update** for FY 2021-22 Spring BMP submitted March 17, 2022:

The Police Office 365 project has been prioritized. Full project planning is underway and requirements are being developed. Internal planning meetings are being held to sort out tasks and architectural design. Procurement of the tenant is in process. This project is being overseen by the Technology Oversight Committee and an external Quality Assurance consultant is being onboarded.

# Bureau of Human Resources

**MF - Office of Management & Finance      DP Type      Technical Adjustments**

**Request Name: 13367 -BHR - Technical Adjustments**

**Package Description**

This request for technical adjustments is largely to move funds received in the Fall BMP for a Mental Health Manager from personnel services to external materials and supplies to allow for hiring a consultant rather than limited term staff. Other adjustments are to align the budget to actual spending.

**Service Impacts**

N/A

**Equity Impacts**

N/A

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	110,000
	Internal Materials and Services	10,000
	Personnel	-120,000
<b>Expense</b>	<b>Sum:</b>	<b>0</b>

**MF - Office of Management & Finance**

**DP Type**

**Other Adjustments**

**Request Name:** 13369 -BHR - Employee Relations Public Safety Workload

**Package Description**

This request is for \$45,000 in Interagency (IA) funding from Portland Fire and Rescue for 1 Limited-Term FTE Human Resource Analyst II to perform a broad compliment of employee relations support duties including coordination of selection processes, workplace investigations, and various HR related training. The Human Resources Analyst II position is necessary as the service requested by Fire is beyond the base level of HR Business Partner support that BHR is able to provide within existing current service level resources. BHR will continue to provide Fire with base level employee and labor relations outside of this agreement.

Portland Fire and Rescue continues to trend much higher than other similar sized bureaus related to BHR employee and labor relations services. The volume of investigations, disciplinary proceedings, interim bargaining impacts, and selection activities consistently fall within the top three across all City Bureaus. Bureaus with similar levels of service needs currently enjoy the support of two dedicated HR Business Partners, such as the cases of Police, Parks and Recreation and PBOT. The addition of an HR Analyst will provide the current HR Business Partner with additional support that will in turn ensure that HR services are delivered in a timely and thorough manner.

**Service Impacts**

The Employee and Labor Relations team helps managers and leadership resolve some of the most sensitive and complex concerns that arise within our City staff. Without additional HR support within the Fire Bureau the likelihood of mishandled, unaddressed, and unresolved employee relations matters surges, as well as the potential for an increase in BOLI claims, litigation and other charges resulting in greater legal exposure and liability to the City. HR Business Partners are intimately linked to the City's ability to provide legally mandated workplace accommodations (Religious, ADA, and Pregnancy Related), investigate and respond to claims of discrimination, harassment or retaliation. These roles provide critical guidance at every major junction of the employee lifecycle, from selection to performance management to layoff, separation or retirement.

**Equity Impacts**

The efforts and strategies within Employee and Labor Relations focus on diversity, equity, and inclusion—benefiting communities of color and persons with disabilities by working to provide access to employment, resources, and opportunity. The team is also solely responsible for identifying accommodations for City employees in accordance with ADA Title I.

This program area is responsible for providing bias awareness training for all interview panels, the equitable development of interview questions, anti-harassment training for every City employee, as well as serving as the City's decision-making authority for all workplace accommodations. In addition, HR Business Partners are tasked with investigating all claims of discrimination, harassment, and retaliation that are brought forward; ensuring that all City staff work in a safe, supportive and inclusive environment.

An investment in the HR Analyst role will allow BHR the capacity to ensure person-centered support to the Fire Bureau in a manner that is not compromised by capacity constraints and will allow this team the resources necessary to revamp and redesign existing procedures in a way that meets the needs of our black, indigenous, and employees of color.

Account Name		2021-22 SPRING Requested Adj
Expense	Internal Materials and Services	0
	Personnel	45,000
<b>Expense</b>	<b>Sum:</b>	<b>45,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Interagency Revenue	45,000
<b>Revenue</b>	<b>Sum:</b>	<b>45,000</b>

**MF - Office of Management & Finance                      DP Type                      Compensation Set-Aside**

**Request Name: 13384 -OMF - GF Compensation Set Aside**

**Package Description**

This request is for the OMF General Fund Compensation set aside for FY 2021-22 of \$754,270 total, allocated in the following way amongst OMF bureaus: \$314,035 to BRFS; \$157,143 to CAO; \$283,092 to BHR. This request is purposed to fund program outcomes, some of which are requested as carry forward in the OMF Spring BMP submission, without this set-aside sufficient funds are not available.

**Service Impacts**

If this request is not funded, sufficient funds are not available for program operations and the Spring BMP submission.

**Equity Impacts**

NA

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	283,092
Expense	Sum:	283,092

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	283,092
Revenue	Sum:	283,092

**MF - Office of Management & Finance                      DP Type                      GF Program Carryover**

**Request Name: 13419 -BHR - Recruiter Carryforward**

**Package Description**

This request is for one-time general fund carry forward dollars to extend funding for two limited term recruiters (HR Analysts II) previously approved in the FY 2021-22 Fall BMP.

Workforce Recruitment and Training (WRT) provides a holistic portfolio of services to attract, develop, and retain a diverse and talented workforce. The elimination of positions over the last budget cycles, have resulted in significant increases in Recruiter workloads. PPB also cut their Recruitment team and the continuation of these positions creates the necessary capacity and knowledge to manage and recruit for top diverse talent within the Police Bureau. The reduction of staff has resulted in slower key performance indicators: time to fill, time to post, closing to list. Due to service impact and benefit, BHR's budget, without additional and ongoing funding, these positions would need to sunset FY 2023-24.

WRT exists to effectively attract top diverse talent and engage the existing workforce. WRT collaborates with internal and external stakeholders to market career opportunities. Without BHR recruitment services, City bureaus would be responsible for managing an applicant tracking system, the applicant experience, and on-boarding. Much of this process is centralized to ensure equity within the application process, scoring, notifications to applications, the interview and selection process, consistent offer letters, pay equity, and onboarding that leads to a positive candidate experience. The recruitment team engages over 1,000 individuals through recruitment events and 'How to Apply' workshops annually. Existing staffing levels leaves no bandwidth to conduct the required outreach, attend recruitment events, headhunt to ensure the City is attracting top diverse talent, engage the existing workforce and market career opportunities. The continuation of these resources leaves staffing below minimal levels but will still allow for opportunities to address ongoing workload levels, potentially slightly improve time to fill, post, and achieve closing to list. It will not allow for capacity to effectively work with internal and external stakeholders to attract top diverse talent, conduct outreach, and effectively manage the applicant tracking system utilizing the data to inform future recruitment plan decisions. With additional recruiter positions would allow Recruiters the capacity to be more strategic and intentional with recruiting efforts including updating our hiring practices as recommended by the City African America Network report.

This request is tied to Spring BMP Decision Package 13384 – OMF GF Compensation Set Aside.

**Service Impacts**

With continued one-time funding for these positions, staffing will remain below minimal level, but the capacity allows Recruiters to address current workloads. BHR understands the budget constraints and the difficult decisions to best provide service to the community, the fragmented funding allocations for these positions contributes to the ability for BHR to bring talent and diversity into its bureau, as most individuals are looking for stable employment with budgeted positions, not positions funded in 6-month increments.

Without continued funding, Workforce Recruitment and Training will not have any additional capacity to conduct meaningful outreach, attend recruitment events, headhunt or engage internal and external stakeholders effectively to have a positive impact on the performance measures.

WRT manages the City's applicant tracking system and utilizes the data to inform recruitment plan decisions. Continued funding is critical to ensure data is retained and future recruitment plans can be data informed.

If funding is not approved, the city may experience a decrease in the diversity in applicant pools. Metrics such as time to fill, post and achieve closing to list will experience extended timelines. Current performance metrics such as time to fill is set at 85 days, time to post and closing to list is 5 business days which are achievable when Recruitment is adequately staffed. Due to current staffing levels, time to fill for FY 2021 averaged 99 days, time to post so far for FY 2021-22 is 8 business days and closing to list average so far for FY 2021-22 is 9 business days. This is not aligned with the City's commitment to recruit and diversify the workforce.

**Equity Impacts**

WRT is currently below minimal staffing levels; with these positions Recruitment remains below minimal staffing levels. Without the work of the Recruiters engaging with internal and external stakeholders, conducting outreach with a focus on Black, Indigenous and people of color, applicant pools will lack in diversity. To increase the number of Black, Indigenous and people of color that the City hopes to recruit and retain in management and leadership positions, BHR needs to engage these communities and continue the work of focused outreach. To update our hiring practices as recommended by the City African America Network report, these positions and additional Recruiters are needed.

Account Name	2021-22 SPRING Requested Adj
Expense                      Personnel	-352,739
<b>Expense                      Sum:</b>	<b>-352,739</b>

**4 - BMP Amendment Request Report (Spring Requested DP**

Run Date: 3/17/22

Run Time: 8:37:30 AM

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<b>Account Name</b>	<b>2021-22 SPRING Requested Adj</b>
Revenue                      General Fund Discretionary	-352,739
Revenue <b>Sum:</b>	<b>-352,739</b>

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**MF - Office of Management & Finance                      DP Type      Contingency**

**Request Name: 13491 -BHR - Health Fund - Contingency Request**

**Package Description**

Adjust Health Insurance fund appropriation for miscellaneous revenues and service charges and fees. This request increases \$540,000 in Health Insurance fund contingency to account for ESI and Standard Insurance rebate checks, and another \$340,000 increase in contingency for Cobra contributions. Adjust Health Insurance fund appropriation for unanticipated medical claims. This request reduces \$2,230,000 in Health Insurance fund contingency to fund unanticipated medical claims. Approval of this adjustment will align the current appropriation with projected spending due to possible unanticipated cost increases in medical claims (\$2,000,000), and personnel services (\$230,000).

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	-1,350,000
External Materials and Services	2,000,000
Internal Materials and Services	0
Personnel	230,000
<b>Expense                      Sum:</b>	<b>880,000</b>

Account Name	2021-22 SPRING Requested Adj
Revenue                      Charges for Services	340,000
Miscellaneous	540,000
<b>Revenue                      Sum:</b>	<b>880,000</b>

**MF - Office of Management & Finance                      DP Type      Contingency**

**Request Name: 13492 -BHR - PPA Health Fund - Contingency Request**

**Package Description**

Adjust PPA Health Insurance fund appropriation for miscellaneous revenues. This request increases \$43,000 in PPA Health Insurance fund contingency to account for ESI rebate checks.

Adjust PPA Health Insurance fund appropriation for unanticipated medical claims. This request reduces \$1,000,000 in Health Insurance fund contingency to fund unanticipated medical claims. Approval of this adjustment will align the current appropriation with projected spending due to possible unanticipated cost increases in medical claims.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	Contingency	-957,000
	External Materials and Services	1,000,000
<b>Expense</b>	<b>Sum:</b>	<b>43,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Miscellaneous	43,000
<b>Revenue</b>	<b>Sum:</b>	<b>43,000</b>

# Business Area Projection Report

## Human Resources - 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	1,499,304	178,413	1,497,060	100%
Internal Materials and Services	1,312,022	848,332	1,308,842	100%
Personnel	10,889,392	6,767,402	10,843,021	100%
<b>Sum:</b>	<b>13,700,718</b>	<b>7,794,147</b>	<b>13,648,923</b>	<b>100%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Charges for Services	26,000	0	26,000	100%
General Fund Discretionary	7,059,930	0	7,007,299	99%
General Fund Overhead	5,970,394	0	5,970,394	100%
Interagency Revenue	326,671	206,467	326,671	100%
Miscellaneous	317,723	0	318,559	100%
<b>Sum:</b>	<b>13,700,718</b>	<b>206,467</b>	<b>13,648,923</b>	<b>100%</b>

### Revenue Discussion

The Bureau of Human Resources revenue is projected to be 100% of the budgeted amount. The Service Charges and Fees includes both Tri-Met admin fees and miscellaneous revenue, largely through payroll garnishments, both of which are projected to budget through year end at this time. The deferred compensation program is cost neutral and the service providers are charged the full cost of the program at year end. Interagency revenues for BTS/EBS training support has been fully billed for FY2021-22. Interagency revenues for a limited-term Parks dedicated recruiter are billed quarterly.

### Revenue Risks

None

### Expenditure Discussion

The Bureau of Human Resources expenses are projected to be 100% of the budgeted amount. Although the year to date expenditures may appear low, many regular, ongoing contracts are still pending, most notably those to support the SummerWorks program (\$560K), Minority Evaluator Program (\$100K), and Pay Equity Program (\$150K). BHR will also be using one-time funds from the Fall BMP to hire a Mental Health Manager Consultant in lieu of a limited term staff position.

### Expenditure Risks

None

### Other Notes

None

# Business Area Projection Report

## Human Resources - Fund 700

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	27,386,432	0	31,497,401	115%
Debt Service	49,391	1,766	49,391	100%
External Materials and Services	122,899,355	68,369,776	113,601,366	92%
Fund Transfers - Expense	279,389	184,886	279,389	100%
Internal Materials and Services	670,612	454,427	670,612	100%
Personnel	2,549,317	1,628,470	2,549,356	100%
<b>Sum:</b>	<b>153,834,496</b>	<b>70,639,326</b>	<b>148,647,515</b>	<b>97%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	30,539,654	0	30,539,654	100%
Charges for Services	121,454,847	63,894,717	116,237,557	96%
Interagency Revenue	277,534	0	277,533	100%
Miscellaneous	1,562,461	1,541,185	1,592,771	102%
<b>Sum:</b>	<b>153,834,496</b>	<b>65,435,902</b>	<b>148,647,515</b>	<b>97%</b>

### Revenue Discussion

Projected revenues are expected to come in under the revised budget by 2.8%, due to lower number of enrollments. Other Miscellaneous revenues primarily comprised of ESI and Standard Insurance rebate checks, as well as revenues collected from bureaus for continuation of coverage for past employees are expected to exceed the budget by \$880,000.

### Revenue Risks

There is little risk of not recovering health benefit premiums for the remainder of the year.

### Expenditure Discussion

Year-end expenditures are projected to be below budget by 2.8%, due to lower than anticipated medical claims, as well as consistent decreases in Kaiser premium expenditures. Although medical claims have picked up noticeably over recent two months but it's unlikely it will exceed the budget. In the unlikely event there is a spike in medical claims, it is recommended that an additional \$2 million be transferred from contingency to external material and services. Based on February projections, personnel services expenditures are estimated to exceed the budget by between \$210,000 and \$230,000.

### Expenditure Risks

As mentioned in the expenditure discussion, to assure that under the worst-case condition there would be sufficient appropriation, it is recommended that an additional \$2 million be transferred from contingency to external material and services. This is an extremely unlikely event.

### Other Notes

# Business Area Projection Report

## Human Resources - Fund 707

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	10,003,023	0	10,961,743	110%
External Materials and Services	19,690,254	10,023,567	16,134,193	82%
<b>Sum:</b>	<b>29,693,277</b>	<b>10,023,567</b>	<b>27,095,936</b>	<b>91%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	11,416,505	0	11,416,505	100%
Charges for Services	18,139,527	8,906,704	15,534,189	86%
Miscellaneous	137,245	100,829	145,242	106%
<b>Sum:</b>	<b>29,693,277</b>	<b>9,007,534</b>	<b>27,095,936</b>	<b>91%</b>

### Revenue Discussion

Total revenue is forecast to be below the budget by 8.6%. The decrease is mainly attributed to the lower-than-expected number of PPA members. However, retiree premiums, which only account for 6.9% of total revenues are estimated to end the year 34% above budget.

### Revenue Risks

There is little risk of not recovering health benefit premiums for the remainder of the year.

### Expenditure Discussion

Expenditures are estimated to end the year 8.6% below the budget mainly due to lower-than-expected medical claims, as well as lower Kaiser premiums, which is in part due to lower number of PPA members. In the unlikely event there is a spike in medical claims, it is recommended that an additional \$1 million be transferred from contingency to external material and services.

### Expenditure Risks

As mentioned in the expenditure discussion, to assure that under the worst-case condition there would be sufficient appropriation, it is recommended that an additional \$1 million be transferred from contingency to external material and services. This is an extremely unlikely event.

### Other Notes

# Bureau of Revenue and Financial Services

**MF - Office of Management & Finance                      DP Type                      Contingency**

**Request Name:** 13375 -Risk - WC - Budget Adjustment

**Package Description**

Risk Workers Comp fund request \$1,400,000 from reserves to cover higher claims payments than projected by the actuary. The primary driver of the increase were several high claims due to serious accidents earlier in the year.

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	-1,400,000
External Materials and Services	1,400,000
Personnel	0
<b>Expense                      Sum:</b>	<b>0</b>

**MF - Office of Management & Finance                      DP Type                      Contingency**

**Request Name: 13383 -OMF - GF DCTU Contingency**

**Package Description**

This request is for \$79,840 in OMF General Fund resources associated with the impact of the DCTU union settlement. The calculated GF impact of the DCTU settlement is significantly higher, over \$600,000 total and over \$400,000 to the General Fund backed, and other backed funds that cannot reasonably increase revenue agreements this late in the fiscal year to pay for the retro merit and more impactfully, the \$3,000 bonus. This request allocates 29,840 to CAO, and \$50,000 to BRFS for ease of budgeting and will be allocated/distributed to distinct budgets in the OEO if necessary.

**Service Impacts**

As noted above, the true impact of the DCTU settlement is calculated to be more than \$400,000 to largely General Fund operations, although this request contributes to the overall OMF approach to provide service in the fiscal year and fund Spring BMP requests.

**Equity Impacts**

NA

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	50,000
<b>Expense</b>	<b>Sum:</b>	<b>50,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	50,000
<b>Revenue</b>	<b>Sum:</b>	<b>50,000</b>

**MF - Office of Management & Finance                      DP Type                      Compensation Set-Aside**

**Request Name: 13384 -OMF - GF Compensation Set Aside**

**Package Description**

This request is for the OMF General Fund Compensation set aside for FY 2021-22 of \$754,270 total, allocated in the following way amongst OMF bureaus: \$314,035 to BRFS; \$157,143 to CAO; \$283,092 to BHR. This request is purposed to fund program outcomes, some of which are requested as carry forward in the OMF Spring BMP submission, without this set-aside sufficient funds are not available.

**Service Impacts**

If this request is not funded, sufficient funds are not available for program operations and the Spring BMP submission.

**Equity Impacts**

NA

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	314,035
<b>Expense</b>	<b>Sum:</b>	<b>314,035</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	314,035
<b>Revenue</b>	<b>Sum:</b>	<b>314,035</b>

**MF - Office of Management & Finance                      DP Type                      Technical Adjustments**

**Request Name: 13385 -BRFS - Technical Adjustments**

**Package Description**

This is a request for technical adjustments largely to align the budget to actual spending in GF, and Other Fund adjustments largely reducing interest estimates in the adopted budgets.

**Service Impacts**

NA

**Equity Impacts**

NA

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	-373,850
Debt Service	-1,507,400
External Materials and Services	-8,695,679
Fund Transfers - Expense	225,000
Internal Materials and Services	40,249
Personnel	-2,251
<b>Expense                      Sum:</b>	<b>-10,313,931</b>

Account Name	2021-22 SPRING Requested Adj
Revenue                      Interagency Revenue	15,749
Licenses & Permits	-30,000
Miscellaneous	-1,699,680
Taxes	-8,600,000
<b>Revenue                      Sum:</b>	<b>-10,313,931</b>

**MF - Office of Management & Finance      DP Type      Contingency**

**Request Name:** 13388 -Risk - IC - Budget Adjustments

**Package Description**

Risk Insurance and Claims fund requests \$885,000 from reserves to cover the higher claims payments than were originally projected by the actuary. The primary driver includes two high claims payments over \$400,000.

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	-885,000
External Materials and Services	885,000
<b>Expense                      Sum:</b>	<b>0</b>

**MF - Office of Management & Finance                      DP Type                      Contingency**

**Request Name:** 13394 -Risk WC - Technical Adjustment

**Package Description**

This request moves \$184,000 to personnel services to align with actuals and as a result of the recent DCTU agreements and potential payouts.

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	-184,000
Personnel	184,000
<b>Expense                      Sum:</b>	<b>0</b>

**MF - Office of Management & Finance      DP Type      Contingency**

**Request Name:** 13395 -Risk - IC - Technical Adjustment

**Package Description**

This request moves \$83,000 to personnel services to align with actuals as a result of the recent DCTU agreements and potential payouts.

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense	-83,000
Contingency	-83,000
Personnel	83,000
<b>Expense</b>	<b>Sum: 0</b>

**MF - Office of Management & Finance                      DP Type                      GF Program Carryover**

**Request Name: 13427 -BRFS - Procurement Carryforward Fall BMP G&S FTE**

**Package Description**

This request is for a \$85,000 General Fund carry forward to fund a one-year limited-term procurement specialist in FY 2022-23. The original one-time funding (\$250k) was allocated in the Fall BMP to support creation of procurement specialists for 3 limited term FTE for approximately half a year. Given the lead time to classify & recruit for positions and the fact that a 6-month offer has lessened appeal to candidates in the current labor market, the division has looked to deploy these resources in different ways to achieve the goal of accelerating the pace of goods & services procurement. This is described more fully in the BRFS decision package status update. But specific to this request, the division is requesting approval carry over funds for this 1-year limited-term procurement specialist in order to retain a high-performing temp or summer intern at the end of their placement this coming summer.

**Service Impacts**

This package will have a positive impact on cycle times in the division, as current staffing levels in goods & services are not sufficient to keep up with workload. This has been evidenced by the net growth in backlog over the past two years and the average buyer project loads that significantly exceed industry benchmarks.

**Equity Impacts**

The division anticipates positive equity impacts with any increase in resources to goods and services procurement. Improvement of equity in goods & services procurement is a strategic goal for the division. This work is being led by the newly-hired Inclusive Contracting Manager. More staffing resources deployed on the goods & services team will allow the division to devote more time to taking proactive steps on procurement projects that ultimately increases the diversity of contractors receiving City contracts.

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	-85,000
<b>Expense</b>	<b>Sum:</b>	<b>-85,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-85,000
<b>Revenue</b>	<b>Sum:</b>	<b>-85,000</b>

**MF - Office of Management & Finance**

**DP Type**

**GF Program Carryover**

**Request Name: 13428 -BRFS - Procurement Carryforward Social Equity Contracting**

**Package Description**

Since the Feb 2021 council work session and subsequent Spring BMP in which this \$305k was set aside to support efforts to improve and expand the City's social equity in contracting programs and outcomes, the division has taken significant and deliberate action to move this agenda forward. Most notably, BRFS hired a new CPO with a track record of improving equitable contracting performance and the division began an intensive community engagement process focused on such outcomes. Procurement is now deploying these funds in the following ways: (1) \$100k is contracted with Equity in Results to facilitate the division and community partners in an anti-racist process of identifying true systemic root causes and crafting targeted policy to address them; (2) \$85,000 will fund a 1-yr LT analyst I position to continue recent division efforts to develop and implement new processes that increase BIPOC contractor utilization in goods & services; (3) \$120,000 is currently unallocated.

The amount requested for carryover is \$183,750, which represents nine months of the limited term analyst I (\$63,750) and the unallocated \$120,000.

**Service Impacts**

The carried over funds will support (A) the work of the Analyst I, which is focused on implementing new processes and procedures to increase the percentage of goods and service contracts awarded to BIPOC-owned businesses and (B) more generally, the evolving improvements and expansion of the City's social equity in contracting programs and outcomes.

**Equity Impacts**

See Service Impact.

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-183,750
<b>Expense</b>	<b>Sum:</b>	<b>-183,750</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-183,750
<b>Revenue</b>	<b>Sum:</b>	<b>-183,750</b>

**MF - Office of Management & Finance**

**DP Type**

**GF Program Carryover**

**Request Name: 13429 -BRFS - Procurement Carryforward for D&C**

**Package Description**

This request is for \$400,000 in carryforward to offset the interagency charge associated with the Procurement Design & Construction team. The interagency cost allocation model using bureau contract data and future estimates resulted in a \$1.2 million increase to PBOT that they have not matched (or agreed to fund) in FY 2022-23. OMF is submitting this request as one of a number of good faith efforts to encourage PBOT to match this interagency charge for service.

Procurement contract service to construction bureaus are funded with a charge based upon contract metrics. Three years of contract metrics are averaged to reduce volatility while still affording a representative allocation of cost to each customer. Three years ago, bureaus suggested changes to the cost allocation model and OMF implemented two changes. The first change was to move the three-year contract data forward one year, resulting in a yearly solicitation for future contract estimates. The second change was to "true-up" estimates after the year concluded. The true-up would be added to the upcoming fiscal year interagency.

What we have seen is that contract estimates have been inaccurate (Figure 1: FY 2020-21 metric Estimates vs. Actuals). In some cases, just over 4 times greater than estimated. Inaccurate future estimates paired with other cost model attributes compound cost swings amongst bureaus.

We are also aware that the more heavily weighted measure of workload forecasted by bureau estimates would drop from 199 actual points in FY 2020-21 to potentially 105 in FY 2021-22. One agreement OMF and the infrastructure bureaus made when the funding model was implemented was that staffing would increase or decrease to follow construction contracting volumes. For two reasons, OMF doesn't feel a staffing reduction is warranted just yet. First, the future estimates provided by bureaus have been fairly inaccurate as compared to actuals. Second, FY 2020-21 volumes were at a three-year high. (see Figure 2: Three Years of Contract Actuals)

In addition to this request, OMF has reached out to bureaus go gauge support for immediate action to revert the model back to the approach before future estimates and the required true-up: simply averaging the actual contract metrics over a three year period. Retaining the impact of the true-up from FY 2020-21 actuals but omitting the future estimates in calculating the FY 2022-23 IA would have alleviated much of the volatility. Implementing this approach for FY 2022-23 would require the following adjustment to bureau IA's: PBOT reduced by \$752,928; BES increase of \$342,149; BTS increase of \$15,083; Facilities increase of \$36,877; PFB increase of \$14,837; Parks Bureau increase of \$54,215; Water Bureau increase of \$289,767. Feedback for this approach was mixed with both strong support and opposition. Feedback that was unanimous was interest on behalf of bureaus to continue to examine this model, service delivery and future bureau service needs to continue to enhance and revise cost allocation.

Feedback was also received specifically to address the potential for increase in service demand. Bureau staff and management echo sentiment brought to Council about the potential for Capital Improvement Plans and the associated construction activity to increase significantly in the coming years. The backlog of major maintenance, as well as projects of significant size and scope are on the horizon. For these reasons, downsizing the Procurement Division support to bureaus is not a sensible solution.

OMF is requesting this package to offset the volatility of the FY 2022-23 interagency and commits to analyzing this service provision, cost allocation model and City bureaus to improve this funding mechanism for future budget cycles, or other actions depending on elected, executive and bureau support.

**Service Impacts**

If this request is funded, OMF will again look to PBOT to match the OMF interagency for FY 2022-23. If this request is not funded, the impacts are material but indeterminate at this time. The City does not have a clear process to reconcile interagencies that are not matched by customer bureaus. OMF would engage the City Budget Office and customer bureaus for next steps. A \$1.2 million deficit is approximately half of the Design & Construction team and short this revenue would produce an equally material but indeterminate service delivery impact to all City bureaus.

**Equity Impacts**

The Procurement Division represents a significant means of inserting Equity, Diversity and Inclusionary programs and services into City work through the City contracting systems and processes. Disruption to the team providing construction contract work to City Bureaus risks potentially multiple initiative and programs the ultimately reach COBID, MWESB and BIPOC firms and contractors.

Account Name	2021-22 SPRING Requested Adj
Expense Personnel	-400,000
<b>Expense Sum:</b>	<b>-400,000</b>

**4 - BMP Amendment Request Report (Spring Requested DP**

Run Date: 3/16/22

Run Time: 11:18:46 AM

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<b>Account Name</b>	<b>2021-22 SPRING Requested Adj</b>
Revenue                      General Fund Discretionary	-400,000
Revenue <b>Sum:</b>	<b>-400,000</b>

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OMF FY 2021-22 Spring BMP  
BRFS – Procurement Carryforward for D&C

Figure 1: FY 2020-21 metric Estimates vs. Actuals

Contract Points, % Variance from Estimates			
Bureau	FY 2020-21 <i>Estimates</i>	FY 2020-21 <b>Actuals</b>	% of estimate
<b>BES</b>	<b>97.5</b>	<b>38.0</b>	39.0%
<b>BTS</b>	3.0	2.0	66.7%
<b>FAC</b>	11.5	14.5	126.1%
<b>PBOT</b>	<b>25.5</b>	<b>107.5</b>	421.6%
<b>PFR</b>	-	1.0	NA
<b>PPR</b>	21.0	11.0	52.4%
<b>WTR</b>	24.0	25.0	104.2%
<b>Construction Total</b>	<b>182.5</b>	<b>199.0</b>	

Figure 2: FY 2020-21 Three Years of Contract Actuals

Three Year High for <b>Actual</b> Contract Points Metric			
Bureau	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual
<b>BES</b>	64.0	56.0	38.0
<b>BTS</b>	3.0	3.0	2.0
<b>FAC</b>	11.5	6.5	14.5
<b>PBOT</b>	32.0	50.5	107.5
<b>PFR</b>	3.0	1.5	1.0
<b>PPR</b>	23.0	15.0	11.0
<b>WTR</b>	15.5	9.0	25.0
<b>Construction Total</b>	152.0	141.5	<b>199.0</b>

**MF - Office of Management & Finance                      DP Type                      GF Program Carryover**

**Request Name: 13500 -BRSF - Clean Air Construction Carryforward**

**Package Description**

This decision package requests \$154,916 of program carryforward for the Clean Air Construction (CAC) Program in the Procurement Services Division. The carryforward request is in accordance with section 3.C of the IGAs signed with partner agencies that states that \$30K of unused funds will be set aside in a "Rainy Day Fund" and any remaining amount in excess of \$30K will be carried over to the subsequent fiscal year for use on one-time Program activities. The City serves as the lead agency for the CAC Regional Program indicating a commitment to support all participating agencies in administering compliance with the CAC standard. Due to complications surrounding the COVID19 pandemic, crucial front-end work necessary to ensure the CAC program's success has been delayed, resulting in less expenses anticipated for the current Fiscal Year.

**Service Impacts**

If the request is not funded, the City will not be able to meet its obligations as the lead of the program's financial component to partner agencies. It may also signal to public partners that the City is not serious about leading the effort to reduce diesel emissions. Given the lack of regulation, public agencies in the Portland Metro area adopted the CAC requirements to reduce the impacts to air quality and health that result from construction project diesel equipment and vehicles.

**Equity Impacts**

The overall outcome of this request is the reduction in harmful diesel particulate matter (PM) pollution in the Portland Metro area which benefits all greater Portland residents, and diesel PM in the region disproportionately affects communities of color. According to the U.S. EPA, every dollar invested in reducing diesel pollution has a \$10 return on the investment (due to savings in health care costs, lost work time, etc.). One of the measurable outcomes of the program is the development of an online contractor equipment registration which will enable tracking and reporting.

Recognizing that this program may disproportionately impact smaller businesses, the CAC program funds requested here also provide technical assistance for COB ID-certified firms. Near term performance measures related to this work include: number of firms supported with fleet assessments according to COBIO certification type, number of pieces of equipment supported for grant funding, number of firms registered in the online registration portal. The funding requested directly funds success in these key indicators and makes targeted outreach and support to COBIO certified firms possible.

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-154,916
<b>Expense</b>	<b>Sum:</b>	<b>-154,916</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-154,916
<b>Revenue</b>	<b>Sum:</b>	<b>-154,916</b>

# Business Area Projection Report

## Bureau of Revenue & Financial Services - 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	34,284,085	14,559,525	20,969,258	61%
Internal Materials and Services	9,657,264	3,414,898	9,288,297	96%
Personnel	31,718,907	16,348,214	26,195,241	83%
<b>Sum:</b>	<b>75,660,256</b>	<b>34,322,637</b>	<b>56,452,796</b>	<b>75%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Bond & Note Proceeds	2,411,472	587,006	2,411,472	100%
Charges for Services	433,846	152,798	300,000	69%
Fund Transfers - Revenue	6,194,644	0	645,444	10%
General Fund Discretionary	10,325,073	0	10,300,000	100%
General Fund Overhead	3,821,168	0	3,821,168	100%
Interagency Revenue	13,895,893	3,844,339	12,880,000	93%
Intergovernmental	36,720,898	7,942,519	24,554,712	67%
Licenses & Permits	50,000	29,115	40,000	80%
Miscellaneous	1,807,262	485,401	1,500,000	83%
<b>Sum:</b>	<b>75,660,256</b>	<b>13,041,178</b>	<b>56,452,796</b>	<b>75%</b>

### Revenue Discussion

The Bureau of Revenue and Financial Services revenues are expected to fund operations and Spring BMP requests as submitted. General Fund resources are forecasted to be utilized completely to fund Spring BMP requests and adjustments. Charges for services will be realized in tax collection programs, but not at budgeted amounts for Treasury trustee fees. Fund Transfers for the COEP program utility resources are not forecasted to be utilized, nor are ITS Bancroft resources. Intergovernmental revenues are largely representative of Metro and Multnomah County contracts for tax collection agreements and the systems software implementation that will be completed early next fiscal year. Intergovernmental systems software continuing into next fiscal year and the contingencies in Metro and Multnomah County contribute to less than budgeted activity.

### Revenue Risks

NA

### Expenditure Discussion

The Bureau of Revenue and Financial Services Spring BMP contains a number of carry forward requests. Most notably, Procurement requests to both repurpose resources to fund discrete services next fiscal year as well as a request to carry forward resources to offset the Design & Construction contract interagency that increased \$1.2 million for PBOT in FY 2022-23. Please see that request for a complete description and impact discussion. Overall, BRFS forecasts to spend all but potentially \$25K of General Fund resources at the time of submission including all Spring BMP requests.

### Expenditure Risks

BRFS has implemented reorganizations within the current fiscal year and will be concluding a project of significant size and scope (Integrated Tax System). Analysis at the time of submission forecasts these efforts within budget.

### Other Notes

# Business Area Projection Report

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## Office of Management & Finance - Fund 201

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$83,500	\$0	\$83,407	100%
<b>Sum:</b>	<b>\$83,500</b>	<b>\$0</b>	<b>\$83,407</b>	<b>100%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$83,000	\$0	\$83,000	100%
Miscellaneous	\$500	\$301	\$407	81%
<b>Sum:</b>	<b>\$83,500</b>	<b>\$301</b>	<b>\$83,407</b>	<b>100%</b>

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### Revenue Discussion

Bureau of Revenue & Financial Services

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### Revenue Risks

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### Expenditure Discussion

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### Expenditure Risks

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### Other Notes

# Business Area Projection Report

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## Office of Management & Finance - Fund 204

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	\$7,933,884	\$4,425,880	\$7,654,627	96%
Fund Transfers - Expense	\$25,000	\$16,664	\$25,000	100%
Internal Materials and Services	\$222,586	\$102,982	\$223,016	100%
<b>Sum:</b>	<b>\$8,181,470</b>	<b>\$4,545,526</b>	<b>\$7,902,643</b>	<b>97%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$34,900	\$0	\$34,900	100%
Licenses & Permits	\$8,140,000	\$5,184,884	\$7,759,772	95%
Miscellaneous	\$6,570	\$2,977	\$6,076	92%
<b>Sum:</b>	<b>\$8,181,470</b>	<b>\$5,187,861</b>	<b>\$7,800,748</b>	<b>95%</b>

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### Revenue Discussion

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### Revenue Risks

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### Expenditure Discussion

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### Expenditure Risks

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### Other Notes

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# Business Area Projection Report

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## Office of Management & Finance - Fund 209

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	\$16,202,933	\$9,288,459	\$14,814,184	91%
Fund Transfers - Expense	\$25,000	\$16,664	\$25,000	100%
Internal Materials and Services	\$705,067	\$258,505	\$687,432	97%
<b>Sum:</b>	<b>\$16,933,000</b>	<b>\$9,563,629</b>	<b>\$15,526,616</b>	<b>92%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Miscellaneous	\$13,000	\$8,164	\$11,964	92%
Taxes	\$16,920,000	\$11,539,652	\$15,514,652	92%
<b>Sum:</b>	<b>\$16,933,000</b>	<b>\$11,547,816</b>	<b>\$15,526,616</b>	<b>92%</b>

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### Revenue Discussion

Bureau of Revenue & Financial Services

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### Revenue Risks

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### Expenditure Discussion

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### Expenditure Risks

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### Other Notes

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# Business Area Projection Report

## Office of Management & Finance - Fund 223

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$7,257,187	\$0	\$7,143,895	98%
External Materials and Services	\$13,684,000	\$4,743,321	\$12,418,321	91%
Fund Transfers - Expense	\$25,000	\$16,664	\$25,000	100%
Internal Materials and Services	\$1,564,543	\$313,580	\$1,564,543	100%
<b>Sum:</b>	<b>\$22,530,730</b>	<b>\$5,073,565</b>	<b>\$21,151,759</b>	<b>94%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$8,266,730	\$0	\$8,266,730	100%
Miscellaneous	\$64,000	\$32,212	\$57,712	90%
Taxes	\$14,200,000	\$4,627,386	\$12,827,316	90%
<b>Sum:</b>	<b>\$22,530,730</b>	<b>\$4,659,598</b>	<b>\$21,151,758</b>	<b>94%</b>

### Revenue Discussion

Bureau of Revenue & Financial Services

### Revenue Risks

### Expenditure Discussion

### Expenditure Risks

### Other Notes

# Business Area Projection Report

## Office of Management & Finance - Fund 231

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$1,962,119	\$0	\$1,962,119	100%
External Materials and Services	\$666,667	\$0	\$666,667	100%
Fund Transfers - Expense	\$4,729,664	\$47,900	\$1,514,914	32%
Internal Materials and Services	\$3,143,315	\$0	\$3,143,315	100%
<b>Sum:</b>	<b>\$10,501,765</b>	<b>\$47,900</b>	<b>\$7,287,015</b>	<b>69%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$2,706,700	\$0	\$2,706,700	100%
Fund Transfers - Revenue	\$1,940,066	\$0	\$1,940,066	100%
Interagency Revenue	\$4,284,289	\$116,000	\$3,590,356	84%
Intergovernmental	\$1,570,710	\$960,646	\$1,330,710	85%
Miscellaneous	\$0	\$32,758	\$15,371	#DIV/0
<b>Sum:</b>	<b>\$10,501,765</b>	<b>\$1,109,404</b>	<b>\$9,583,203</b>	<b>91%</b>

### Revenue Discussion

The OMF CORF fund is comprised of two separate programs: the Community Opportunities Enhancement Program (COEP) subfund 231003, and: The Integrated Tax System (ITS) subfund 231002.

The COEP program billable contract activity (1% of contracts greater than \$500K) are trending less than budgeted. ITS program IGA revenue will trend slightly less than budgeted as the Metro/County (R2/R3) implementations will conclude in early FY 2022-23

### Revenue Risks

Risks to revenue include a forthcoming legal proceeding for the COEP program that will be used to advise as to whether utility funds may be used for the program.

### Expenditure Discussion

The COEP program will see significant IMS underspending (which pays for programmatic activity occurring in the General Fund) due to the aforementioned legal proceeding in regard to the use of utility funds.

The City ITS implementation (R1) is expected to conclude and be capitalized this fiscal year, after which it will switch from credit/bond funding to solely contributions by partners, expenditures will pay debt service, maintenance and other project costs. The Metro/County implementations (R2/R3) are expected to conclude early next fiscal year, and expenditures are therefore trending slightly less than budgeted.

### Expenditure Risks

NA

### Other Notes

# Business Area Projection Report

## Office of Management & Finance - Fund 401

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	\$5,005,417	\$0	\$5,299,737	106%
Debt Service	\$14,274,442	\$8,480,046	\$14,251,699	100%
External Materials and Services	\$25,000	\$3,751	\$25,000	100%
Fund Transfers - Expense	\$20,879,857	\$667,370	\$20,295,038	97%
Internal Materials and Services	\$1,685,797	\$720,087	\$1,683,886	100%
<b>Sum:</b>	<b>\$41,870,513</b>	<b>\$9,871,254</b>	<b>\$41,555,360</b>	<b>99%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$5,394,276	\$0	\$5,394,276	100%
Bond & Note Proceeds	\$33,744,137	\$8,227,517	\$33,471,653	99%
Charges for Services	\$1,204,500	\$703,651	\$1,176,335	98%
Interagency Revenue	\$400,000	\$0	\$400,000	100%
Miscellaneous	\$1,127,600	\$1,073,611	\$1,113,096	99%
<b>Sum:</b>	<b>\$41,870,513</b>	<b>\$10,004,778</b>	<b>\$41,555,360</b>	<b>99%</b>

### Revenue Discussion

Bureau of Revenue & Financial Services

### Revenue Risks

### Expenditure Discussion

### Expenditure Risks

### Other Notes

# Business Area Projection Report

## Office of Management & Finance - Fund 311

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Debt Service	\$4,612,500	\$2,420,556	\$5,842,490	127%
Debt Service Reserves	\$19,325,002	\$0	\$20,051,962	104%
Fund Transfers - Expense	\$2,334,450	\$0	\$0	
<b>Sum:</b>	<b>\$26,271,952</b>	<b>\$2,420,556</b>	<b>\$25,894,452</b>	<b>99%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$18,959,452	\$0	\$18,959,452	100%
Miscellaneous	\$7,312,500	\$4,222,996	\$6,935,000	95%
<b>Sum:</b>	<b>\$26,271,952</b>	<b>\$4,222,996</b>	<b>\$25,894,452</b>	<b>99%</b>

### Revenue Discussion

### Revenue Risks

### Expenditure Discussion

The transfer of \$2.3 million is not expected to be needed by the ITS project.

### Expenditure Risks

### Other Notes

Bureau of Revenue & Financial Services

### Revenue Risks

### Expenditure Discussion

The fund transfer of \$2.5 million is not expected to be utilized by the ITS project at this time.

### Expenditure Risks

### Other Notes

# Business Area Projection Report

## Bureau of Revenue & Financial Services - Fund 704

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	26,050,831	0	27,469,875	105%
Debt Service	116,720	4,173	116,720	100%
External Materials and Services	11,439,244	7,531,041	10,102,580	88%
Fund Transfers - Expense	210,714	137,234	210,714	100%
Internal Materials and Services	3,583,686	2,338,398	3,562,686	99%
Personnel	1,749,185	1,002,743	1,659,375	95%
<b>Sum:</b>	<b>43,150,380</b>	<b>11,013,589</b>	<b>43,121,950</b>	<b>100%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	30,551,410	0	30,551,410	100%
Interagency Revenue	12,337,740	8,154,289	12,231,432	99%
Miscellaneous	261,230	226,075	339,108	130%
<b>Sum:</b>	<b>43,150,380</b>	<b>8,380,364</b>	<b>43,121,950</b>	<b>100%</b>

### Revenue Discussion

Risk Insurance and Claims (IC) revenue is primarily from interagency billings with other City bureaus for participation in the City's self-insured program, property insurance, and general and fleet liability insurance. Miscellaneous revenue includes third party recovery and interest income which is projected to come in lower than expected.

### Revenue Risks

The fund is experiencing increasing costs to liability policies over the last year. The fund is also experiencing an increase in the number of claims and cost of claims over the last few years. As these costs continue to increase, higher rates will be charged to the bureaus.

### Expenditure Discussion

IC expenses are primarily for claims payments and excess insurance costs. The claims forecast is based on an independent actuarial study. Administrative expenses cover the management of the fund.

### Expenditure Risks

The fund is projecting several high claims payments due to recent settlements. The recent DCTU agreement and potential payout resulted in a higher projection in personnel services.

### Other Notes

# Business Area Projection Report

## Office of Management & Finance - Fund 704

Major Object	2021-22 SPRING Revised Base	2021-22 SPRING Requested Adj	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 Actuals
Contingency	27,018,831	-968,000	26,050,831	0	
Debt Service	116,720	0	116,720	4,173	
External Materials and Services	10,554,244	885,000	11,439,244	7,531,041	
Fund Transfers - Expense	210,714	0	210,714	137,234	
Internal Materials and Services	3,583,686	0	3,583,686	2,338,398	
Personnel	1,666,185	83,000	1,749,185	1,002,743	
<b>Sum:</b>	<b>43,150,380</b>	<b>0</b>	<b>43,150,380</b>	<b>11,013,589</b>	

Major Object	2021-22 SPRING Revised Base	2021-22 SPRING Requested Adj	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 Actuals
Beginning Fund Balance	30,551,410	0	30,551,410	0	
Interagency Revenue	12,337,740	0	12,337,740	8,154,289	
Miscellaneous	261,230	0	261,230	226,075	
<b>Sum:</b>	<b>43,150,380</b>	<b>0</b>	<b>43,150,380</b>	<b>8,380,364</b>	

### Revenue Discussion

Risk Insurance and Claims (IC) revenue is primarily from interagency billings with other City bureaus for participation in the City's self-insured program, property insurance, and general and fleet liability insurance. Miscellaneous revenue includes third party recovery and interest income which is projected to come in lower than expected.

### Revenue Risks

The fund is experiencing increasing costs to liability policies over the last year. The fund is also experiencing an increase in the number of claims and cost of claims over the last few years. As these costs continue to increase, higher rates will be charged to the bureaus.

### Expenditure Discussion

IC expenses are primarily for claims payments and excess insurance costs. The claims forecast is based on an independent actuarial study. Administrative expenses cover the management of the fund.

### Expenditure Risks

The fund is projecting several high claims payments due to recent settlements. The recent DCTU agreement and potential payout resulted in a higher projection in personnel services.

### Other Notes

# Business Area Projection Report

## Bureau of Revenue & Financial Services - Fund 705

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Contingency	12,450,406	0	12,628,737	101%
Debt Service	109,178	3,903	109,178	100%
External Materials and Services	4,723,111	2,892,007	4,582,392	97%
Fund Transfers - Expense	101,475	64,620	101,475	100%
Internal Materials and Services	752,393	454,241	737,142	98%
Personnel	1,620,706	970,562	1,552,169	96%
<b>Sum:</b>	<b>19,757,269</b>	<b>4,385,334</b>	<b>19,711,093</b>	<b>100%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	14,429,701	0	14,429,701	100%
Interagency Revenue	5,242,627	3,470,993	5,206,488	99%
Miscellaneous	84,941	49,939	74,904	88%
<b>Sum:</b>	<b>19,757,269</b>	<b>3,520,932</b>	<b>19,711,093</b>	<b>100%</b>

### Revenue Discussion

Risk Worker's Compensation (WC) revenue source primarily comes from interagency billings with City bureaus to participate in the self-insured worker's compensation program. Miscellaneous revenue includes interest income and third-party recovery income.

### Revenue Risks

Rates for WC may increase over time due to future actuarial projections on recent higher claims resulting in higher interagency billings to the City bureaus.

### Expenditure Discussion

WC expenses are primarily based on claims-related payments. The claims forecast is based on an independent actuarial study, with includes a projection for the current fiscal year and the next five years. Administration expenses cover the management of the fund.

### Expenditure Risks

WC received several high cost claims this fiscal year that were not originally forecasted resulting in an increase to the projection. The recent DCTU agreement and potential payouts results in a high personnel projection.

### Other Notes

# Business Area Projection Report

## Office of Management & Finance - Fund 705

Major Object	2021-22 SPRING Revised Base	2021-22 SPRING Requested Adj	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 Actuals
Contingency	14,034,406	-1,584,000	12,450,406	0	
Debt Service	109,178	0	109,178	3,903	
External Materials and Services	3,323,111	1,400,000	4,723,111	2,892,007	
Fund Transfers - Expense	101,475	0	101,475	64,620	
Internal Materials and Services	752,393	0	752,393	454,241	
Personnel	1,436,706	184,000	1,620,706	970,562	
<b>Sum:</b>	<b>19,757,269</b>	<b>0</b>	<b>19,757,269</b>	<b>4,385,334</b>	

Major Object	2021-22 SPRING Revised Base	2021-22 SPRING Requested Adj	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 Actuals
Beginning Fund Balance	14,429,701	0	14,429,701	0	
Interagency Revenue	5,242,627	0	5,242,627	3,470,993	
Miscellaneous	84,941	0	84,941	49,939	
<b>Sum:</b>	<b>19,757,269</b>	<b>0</b>	<b>19,757,269</b>	<b>3,520,932</b>	

### Revenue Discussion

Risk Worker's Compensation (WC) revenue source primarily comes from interagency billings with City bureaus to participate in the self-insured worker's compensation program. Miscellaneous revenue includes interest income and third-party recovery income.

### Revenue Risks

Rates for WC may increase over time due to future actuarial projections on recent higher claims resulting in higher interagency billings to the City bureaus.

### Expenditure Discussion

WC expenses are primarily based on claims-related payments. The claims forecast is based on an independent actuarial study, with includes a projection for the current fiscal year and the next five years. Administration expenses cover the management of the fund.

### Expenditure Risks

WC received several high cost claims this fiscal year that were not originally forecasted resulting in an increase to the projection. The recent DCTU agreement and potential payouts results in a high personnel projection.

### Other Notes

## Capital Program Status Report

### Office of Management & Finance - Bureau of Revenue & Financial Services

CIP Program Name	2020-21 Adopted Budget	2020-21 Revised Budget	2020-21 Actuals	PY Variance	PY Percent of Actuals to Revised	2021-22 Adopted Budget	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	Spring Req. to Adopted Variance	Spring Req. to Adopted % Variance
Facilities	0	0	813,396	813,396		0	0	0	0	
Revenue	16,138,048	26,580,525	15,940,826	-10,639,699	59.97%	24,752,284	27,473,206	11,435,757	2,720,922	9.9%
<b>Sum:</b>	<b>16,138,048</b>	<b>26,580,525</b>	<b>16,754,222</b>	<b>-9,826,303</b>	<b>-36.97%</b>	<b>24,752,284</b>	<b>27,473,206</b>	<b>#####</b>	<b>2,720,922</b>	

#### Current Year Variance Description

The Integrated Tax System core City asset (R1) will be complete and capitalized in FY 2021-22. The variance is associated with underspending are Bancroft funds (\$2.3 million) that were allocated to R1 but are not forecasted to be used, and Metro/County components (R2 & R3) that will be completed and capitalized in early FY 2022-23.

#### Other Notes

# Bureau of Technology Services

**MF - Office of Management & Finance                      DP Type                      Technical Adjustments**

**Request Name: 13362 -BTS - Technical Adjustments**

**Package Description**

To adjust appropriation between major object codes to better align with actual expenditures.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	Capital Outlay	2,333
	External Materials and Services	-2,333
	Personnel	0
<b>Expense</b>	<b>Sum:</b>	<b>0</b>

**MF - Office of Management & Finance                      DP Type                      Other Adjustments**

**Request Name: 13364 -BTS - Interagency Adjustments**

**Package Description**

To adjust interagencies, both where BTS is a provider of services and where BTS is a receiver of services. Details provided in the justification field for each IA requested change.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	Contingency	287,703
	External Materials and Services	54,500
	Internal Materials and Services	50,000
<b>Expense</b>	<b>Sum:</b>	<b>392,203</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Interagency Revenue	392,203
<b>Revenue</b>	<b>Sum:</b>	<b>392,203</b>

**MF - Office of Management & Finance                      DP Type                      Contingency**

**Request Name:** 13365 -BTS - Project Adjustments

**Package Description**

To adjust appropriation in BTS projects. BTS began the Police Office 365 migration project this year and this adjustment is to provide appropriation for the project in this year's budget. This will be a multi-year project with BTS and Police sharing in the expenses. All expenses will initially be recorded in the BTS fund, with Police expenses later moved via an SAP journal entry.

**Service Impacts**

No impact to services other than both BTS personnel and contracted personnel will be providing those services.

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	-373,884
External Materials and Services	373,884
Personnel	0
<b>Expense                      Sum:</b>	<b>0</b>



**MF - Office of Management & Finance                      DP Type                      Other Adjustments**

**Request Name: 13376 -P&D -Interagency Adjustments**

**Package Description**

To adjust interagencies, both where P&D is a provider of services and where P&D is a receiver of services. Details provided in the justification field for each IA requested change.

**Service Impacts**

**Equity Impacts**

Account Name		2021-22 SPRING Requested Adj
Expense	Contingency	0
	External Materials and Services	25,600
	Internal Materials and Services	-164,656
<b>Expense</b>	<b>Sum:</b>	<b>-139,056</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Charges for Services	-100,000
	Interagency Revenue	34,100
	Intergovernmental	-73,156
<b>Revenue</b>	<b>Sum:</b>	<b>-139,056</b>

**MF - Office of Management & Finance                      DP Type                      Technical Adjustments**

**Request Name: 13385 -BRFS - Technical Adjustments**

**Package Description**

This is a request for technical adjustments largely to align the budget to actual spending in GF, and Other Fund adjustments largely reducing interest estimates in the adopted budgets.

**Service Impacts**

NA

**Equity Impacts**

NA

Account Name		2021-22 SPRING Requested Adj
Expense	Capital Outlay	0
Expense	Sum:	0

**MF - Office of Management & Finance                      DP Type                      Technical Adjustments**

**Request Name: 13386 -P&D - Technical Adjustments**

**Package Description**

To adjust appropriation between major object codes to better align with actual expenditures.

**Service Impacts**

**Equity Impacts**

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-140,500
Expense	<b>Sum:</b>	<b>-140,500</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Charges for Services	-35,000
	Intergovernmental	-100,000
	Miscellaneous	-5,500
Revenue	<b>Sum:</b>	<b>-140,500</b>

# Business Area Projection Report

## Technology Services - Fund 706

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	1,594,701	72,846	102,018	6%
Contingency	25,975,976	0	33,652,649	130%
Debt Service	742,901	26,560	742,901	100%
External Materials and Services	38,674,368	19,100,528	28,921,273	75%
Fund Transfers - Expense	2,313,503	1,521,718	2,313,503	100%
Internal Materials and Services	5,952,420	3,279,914	5,685,772	96%
Personnel	41,385,269	25,435,616	40,587,487	98%
<b>Sum:</b>	<b>116,639,138</b>	<b>49,437,183</b>	<b>112,005,603</b>	<b>96%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	39,045,423	0	39,045,424	100%
Charges for Services	236,009	53,488	223,242	95%
Interagency Revenue	71,240,557	45,060,489	68,379,836	96%
Intergovernmental	4,982,305	2,672,554	3,933,752	79%
Miscellaneous	1,134,844	283,866	423,349	37%
<b>Sum:</b>	<b>116,639,138</b>	<b>48,070,397</b>	<b>112,005,603</b>	<b>96%</b>

### Revenue Discussion

Total BTS revenues are projected to be at about 96% of budgeted resources. The majority of earnings are from interagency revenues and those should come in around 96.5%. Non-city earnings will be more in the 80-90% range. These lower percentages are not unexpected. Some BTS programs overestimate their ability to generate billable revenues. Those higher estimates are incorporated into the budget, but aren't included as part of the interagencies since they can't be justified. So they're instead added to non-city resources. The result is actual earnings fall short of estimates and annual collections are typically around 80% of budget.

### Revenue Risks

BTS earnings continue to be relatively strong in most areas. The greatest risk is related to the economy. A downturn in the economy leads to a request for bureaus to make budget reductions. Those reductions come in two forms. Bureaus will reduce metric units (equipment, phone lines, domain accounts) and billable services. Aside from the economic risk, BTS has seen a trend over the last few years of a gradual decline in Radio Shop earnings with fewer vehicles, primarily Police, needing servicing. But that's been offset with an increase in requested services for video and A/V systems.

### Expenditure Discussion

Total BTS expenditures are projected to be around 86% of budgeted requirements. Underspending in External Materials & Services and Capital Outlay is responsible for this lower percentage. The underspending isn't in the operating budget, but in the project budget. BTS has a pattern of overestimating its ability to complete projects. The projects are budgeted, underspent at year-end, and appropriation is then carried over into the following year.

### Expenditure Risks

If there is a risk to BTS expenditures, it would be with projects. However, that risk is negligible. As previously stated, BTS consistently underspends on its projects. That trend should slowly start to change as BTS fills vacant positions and personnel can move beyond working on run and maintain operations and dedicate more time to completing CIPs. Should BTS be able to complete all of their projects, there will be a risk that the drawdown of technology reserves will limit BTS options and planning for future budget years.

### Other Notes

# Business Area Projection Report

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# Business Area Projection Report

## Technology Services - Fund 703

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	150,000	0	15,000	10%
Contingency	1,364,185	0	0	0%
Debt Service	211,822	7,573	211,822	100%
External Materials and Services	3,244,945	1,539,825	2,561,656	79%
Fund Transfers - Expense	248,959	160,092	248,959	100%
Internal Materials and Services	907,066	504,855	864,534	95%
Personnel	1,880,097	934,516	1,540,575	82%
<b>Sum:</b>	<b>8,007,074</b>	<b>3,146,862</b>	<b>5,442,546</b>	<b>68%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	913,416	0	913,416	100%
Charges for Services	37,000	2,982	4,944	13%
Interagency Revenue	6,242,736	2,858,739	4,297,422	69%
Intergovernmental	778,573	404,372	693,208	89%
Miscellaneous	35,349	18,895	31,709	90%
<b>Sum:</b>	<b>8,007,074</b>	<b>3,284,988</b>	<b>5,940,699</b>	<b>74%</b>

### Revenue Discussion

Printing and Distribution's (P&D) revenue is primarily from other City bureaus through interagency rates and billings. Revenues are down primarily due to COVID-19 pandemic and the resulting bureaus challenges (i.e., budget shortfalls and limited non-essential spending). P&D is generally non-essential and of a variable nature. By having buildings vacant because of remote work copiers are sitting unused and not generating revenue, a large revenue source in the past for P&D. In addition to reduced revenues from bureaus, outside governments have also decreased spending and walk in work has decreased drastically due to the 1900 building being closed.

### Revenue Risks

P&D's revenues continue to show reductions over prior years' figures since we entered the COVID-19 pandemic. It is unclear when bureaus will return to buildings and what percentage will remain teleworkers. In the pandemic, bureaus are finding that going completely paperless for certain processes is doable.

It is also unclear when the economy will rebound, and bureaus will have more discretionary spending available. All these factors impact service levels bureaus buy from P&D.

### Expenditure Discussion

All major object codes are anticipated to be below budget at the end of the fiscal year. Due to cost savings, as well as interim rate increases and billing surcharges implemented to replenish Fund Balance, we have partially replenished our Operations and Capital reserves.

### Expenditure Risks

# Business Area Projection Report

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The FY 2020-21 ending fund balance for the P&D fund was about \$913,000 and is lower than anticipated first year with the three-year Fund balance recovery plan in place. The fund balance after FY 2021-22 Spring BMP is projected even less than \$500k. This is lower than expected, despite rate increases and abatement of IA charges and addition of temporary 8% surcharge.

After Spring BMP, ending FY 2021-22 Fund balance is expected to be approx. \$500k, lower than our goal to exceed \$1m. If revenues do not rebound sufficiently as cost of staff, vendor supplies continually rise, the Bureau needs to consider an extension of the interim rate increase to our customers. Monthly cash balance forecasts are being made to determine when/if interfund loans are needed until the fund can be merged with the BTS fund in FY 2023-24.

Considerations for reducing IA expenditures are difficult due to the nature of those costs are fixed, whereas IA Revenues are more variable as bureaus downsize their need for services. Fixed rate expense examples are space at 1900 Building and 1st and Jefferson building/garage, plus BTS services, Risk, finance and administrative services, and General Fund overhead. Personnel services are essentially a fixed cost for the fund even though its related revenues are essentially variable. As recent retirements have occurred those positions have remained vacant with a few expected to be filled in 4th quarter of FY 2022, further reducing any savings received year-to-date.

## **Other Notes**

## Capital Program Status Report

### Office of Management & Finance - Technology Services

CIP Program Name	2020-21 Adopted Budget	2020-21 Revised Budget	2020-21 Actuals	PY Variance	PY Percent of Actuals to Revised	2021-22 Adopted Budget	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	Spring Req. to Adopted Variance	Spring Req. to Adopted % Variance
BTS	11,196,823	12,133,390	5,907,810	-6,225,580	48.69%	13,950,216	22,070,275	6,679,771	8,120,059	36.79%
Facilities	0	0	0	0		0	0	0	0	
Revenue	0	0	0	0		0	0	0	0	
<b>Sum:</b>	<b>11,196,823</b>	<b>12,133,390</b>	<b>5,907,810</b>	<b>-6,225,580</b>	<b>-51.31%</b>	<b>13,950,216</b>	<b>22,070,275</b>	<b>6,679,771.13</b>	<b>8,120,059</b>	

### Current Year Variance Description

The variance between Current Year Adopted and Current Year Spring Revised is the result of carryover projects loaded in the Fall BMP. Work on many of the BTS projects at the end of FY 2020-21 wasn't completed, so ending project budgets were carried over. Current projections are that BTS will again not complete many of its projects. Rather than reduce project appropriations in the Spring BMP so that budgets more closely approximate projected actuals, BTS has chosen not to adjust the budgets. While this results in a great variance between budgets and actuals, it also provides a benefit when working in SAP. The additional appropriation helps to offset the hard stop SAP implements when expenditures plus encumbrances exceed budget appropriations.

### Other Notes

# Office of the CAO

**MF - Office of Management & Finance                      DP Type                      Contingency**

**Request Name: 13360 -CAO - Bus Ops-Merrick Settlement**

**Package Description**

This package requests \$250,000 in 1x General Fund Discretionary Funding from the legal liabilities reserve/contingency to pay the Merrick v City of Portland settlement. The settlement was approved by City Council on 1/26/22. The settlement was paid out of the OMF-Business Operations budget in February 2022.

**Service Impacts**

Funding this request will prevent OMF-Business Operations from overspending the share of funds allocated to the division within the OMF General Fund

**Equity Impacts**

N/A

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	250,000
Expense	<b>Sum:</b>	<b>250,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	250,000
Revenue	<b>Sum:</b>	<b>250,000</b>

**MF - Office of Management & Finance**

**DP Type**

**Other Adjustments**

**Request Name:** 13363 -CAO - Bus Ops-Reallocate Build Portland

**Package Description**

This package moves \$100,000 in Build Portland funding within Business Operations from External Materials and Services into Personnel to fund a position within the OMF SPOT Team that supports the City Asset Managers Group (CAMG) and implementation of the Citywide asset management policy.

**Service Impacts**

While no new funding is being requested, OMF wanted to highlight this repurposing of revenue. This is an ongoing change that will also be implemented within the FY 2022-23 Budget.

**Equity Impacts**

N/A

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-100,000
	Personnel	100,000
<b>Expense</b>	<b>Sum:</b>	<b>0</b>

**MF - Office of Management & Finance                      DP Type                      Contingency**

**Request Name: 13383 -OMF - GF DCTU Contingency**

**Package Description**

This request is for \$79,840 in OMF General Fund resources associated with the impact of the DCTU union settlement. The calculated GF impact of the DCTU settlement is significantly higher, over \$600,000 total and over \$400,000 to the General Fund backed, and other backed funds that cannot reasonably increase revenue agreements this late in the fiscal year to pay for the retro merit and more impactfully, the \$3,000 bonus. This request allocates 29,840 to CAO, and \$50,000 to BRFS for ease of budgeting and will be allocated/distributed to distinct budgets in the OEO if necessary.

**Service Impacts**

As noted above, the true impact of the DCTU settlement is calculated to be more than \$400,000 to largely General Fund operations, although this request contributes to the overall OMF approach to provide service in the fiscal year and fund Spring BMP requests.

**Equity Impacts**

NA

Account Name	2021-22 SPRING Requested Adj
Expense                      Personnel	29,840
<b>Expense                      Sum:</b>	<b>29,840</b>

Account Name	2021-22 SPRING Requested Adj
Revenue                      General Fund Discretionary	29,840
<b>Revenue                      Sum:</b>	<b>29,840</b>

**MF - Office of Management & Finance                      DP Type                      Compensation Set-Aside**

**Request Name: 13384 -OMF - GF Compensation Set Aside**

**Package Description**

This request is for the OMF General Fund Compensation set aside for FY 2021-22 of \$754,270 total, allocated in the following way amongst OMF bureaus: \$314,035 to BRFS; \$157,143 to CAO; \$283,092 to BHR. This request is purposed to fund program outcomes, some of which are requested as carry forward in the OMF Spring BMP submission, without this set-aside sufficient funds are not available.

**Service Impacts**

If this request is not funded, sufficient funds are not available for program operations and the Spring BMP submission.

**Equity Impacts**

NA

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	157,143
Expense	Sum:	157,143

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	157,143
Revenue	Sum:	157,143

**MF - Office of Management & Finance                      DP Type                      Technical Adjustments**

**Request Name: 13387 -CAO - Technical Adjustments**

**Package Description**

This is a request for technical adjustments largely to align the budget to actual spending.

**Service Impacts**

NA

**Equity Impacts**

NA

Account Name		2021-22 SPRING Requested Adj
Expense	Internal Materials and Services	18,000
	Personnel	-18,000
<b>Expense</b>	<b>Sum:</b>	<b>0</b>

**MF - Office of Management & Finance****DP Type****New GF Request****Request Name: 13397 -Spectator Venues - Groundwater Infiltration Mitigation****Package Description**

In August 2020, the City-owned Providence Park Stadium began experiencing groundwater intrusion into the lower level of the facility. Significant research was conducted to determine the cause of the new groundwater problem. While it is difficult to definitively pinpoint the cause of the water intrusion, the source is a major increase in the groundwater levels under SW 18th Avenue adjacent to the Stadium. The most likely source of the groundwater is the result of changes in groundwater flows through the neighborhood caused by significant new public and private development and recent public sewer relining projects in the vicinity. The problem was not caused by activity at the Stadium, but since the facility occupies the lowest point in the area, it is now seeing the brunt of other public and private development impacts on groundwater flows.

The Stadium is part of the Spectator Venues Program (SVP) portfolio. To date, the SVP has hired two COBID-certified engineering firms to research the problem, construct a relief mechanism to stop immediate flooding into the facility and install monitoring devices and assign monitoring data to ensure no further damage takes place. This work has been reviewed and advised by a multi-bureau staff team with leadership representatives from OMF, BDS, BES, PBOT, and PWB.

During Spring 2022, the construction of a larger-scale mitigation measure to stop excess groundwater from reaching the Stadium is necessary. The mitigation measure is a series of 57 drain columns designed to allow trapped water to flow downward more easily and quickly under SW 18th Avenue to pass under the Stadium, rather than into it. This is the City's best identified option for addressing the excess groundwater. There are few other feasible options to address the problem and all others have been rejected by BES and BDS as undesirable. Action must be taken as soon as possible, as the saturated soils will threaten the structural integrity of the stadium if left unaddressed.

SVP has also been working with City Risk since the discovery of the problem—tracking to see if any cost recovery could be obtained through an insurance claim. If insurance reimbursement is granted and problem costs are less than the amount of funds received through this request, unused funds for this purpose will be returned.

The \$748,964 in requested funding makes represents the costs that should be borne by the City rather than the Spectator Venues & Visitor Activities Fund, as the work takes place in the right-of-way in front of the Stadium and is not located on the property.

**Service Impacts**

The Spectator Venues & Visitor Activities Fund is a dedicated enterprise fund that relies primarily on event-generated revenues to meet program obligations at the City-owned venues. The program is directly responsible for ~\$530 million worth of City-owned assets including Rose Quarter properties and the Stadium. The COVID-19 pandemic and long venue closure has strained the fund's ability to sustain itself forcing the SVP to rely on reserves to carry it through the eventual end of the pandemic. During FY 2020-2021 alone, the fund balance drew \$6.7 million from reserves to meet obligations. With the slow pace of recovery within the event and travel/tourism industry, further reliance on reserves to meet obligations is likely in the current fiscal year. Ongoing declines in the fund balance increase risks that the program will not be able to meet all needs at the venues in future years, including debt service on bonds that are backed by the City's General Fund. Current fund projections assume continued recovery and fund stability, but major unforeseen costs should be avoided where possible in the near term. For more information about the SVP and how residual impacts have impacted the fund, please reference the 2020-2021 SVP Annual Report.

Failure to fund this request will result in the Spectator Venues & Visitor Activities Fund paying the full cost of the urgent work and further depletion of fund reserves. This problem is not a Stadium issue but rather a City issue, as the identified causes of the newfound groundwater would not exist if not for private development and public (PPS/City sewer) work that has occurred upstream.

PBOT and other bureaus with infrastructure in SW 18th Avenue will also benefit from completion of this work because the groundwater currently building up beneath the street will be drained more effectively and reduce the long-term risk of negative impacts of saturated fills beneath the street. These negative long-term risks include unwanted settling, liquefaction, and the possible development of sinkholes, all of which would be very problematic in a street that carries the Red and Blue lines of MAX Light Rail.

**Equity Impacts**

Internal to City—Based on research conducted over the past 12 months, it is suspected that the efforts of BES (adjacent sewer relining projects) and BDS (permitting projects that have changed existing groundwater flows) are having a profound and negative impact on the Stadium. It is worth noting that the area of the Stadium experiencing the groundwater infiltration was built mostly in 2000, and partially in 2010, and has never seen groundwater issues, nor were the foundations in this area designed for heavily saturated soils. This is a new problem caused by changes and development outside the stadium. It is only fair that the broader City be responsible for costs resulting from City work in other bureaus, rather than require the Spectator Venues & Visitor Activities Fund be the sole bearer of costs.

Community—Providence Park Stadium, home to the Timbers and Thorns soccer clubs, provides numerous positive impacts to the community as soccer is the singular most popular sport in the world with 4 billion fans. The Timbers/Thorns donate 2,000 tickets to not-for-profit organizations every year. They host season ticket holder events for 400 Portland-area youth and host camps where 30-50 youth participate on scholarship every year. An estimated 1,000 youth attend Portland Thorns Football Club soccer camps at the Stadium annually.

Demographic data for the Timbers, Thorns and fans uphold strong representation across cultural backgrounds, household make-up and ages. Major League Soccer (MLS) has a widespread global reach as MLS matches are broadcasted in more than 170 different countries. Providence Sports Care Center is also a tenant in the Stadium, which provides state-of-the-art sports medicine and orthopedic rehabilitation therapy for the Portland community. Without this mitigation project designed to prevent groundwater intrusion from reaching the Stadium, both soccer clubs and the clinic will face continued problems as the foundation of the facility will be in question.

Contracting—The SVP hired a Native American owned, COBID-certified engineering firm to perform initial investigative and design work for this project. Then, the SVP hired a disadvantaged business enterprise/minority business enterprise COBID-certified geotechnical engineering firm to continue investigative research and design work for the larger-scale mitigation measure. The SVP is currently soliciting bids from contractors (including some who are COBID-certified) to construct the mitigation measure during spring 2022.

Account Name	2021-22 SPRING Requested Adj	
Expense	External Materials and Services	748,964
<b>Expense</b>	<b>Sum:</b>	<b>748,964</b>

Account Name	2021-22 SPRING Requested Adj	
Revenue	Fund Transfers - Revenue	748,964
<b>Revenue</b>	<b>Sum:</b>	<b>748,964</b>

**MF - Office of Management & Finance                      DP Type                      GF Program Carryover**

**Request Name: 13400 -CAO - 311 Program Carryforward**

**Package Description**

This request is for program carryforward of \$250,000 to fund two efforts that were intended to commence during the current fiscal year but have encountered delays: a software system implementation (\$100,000) and the Call Center buildout (\$150,000).

**Service Impacts**

If this request is not funded, implementation of key 311 Program components may not be implemented as conceived impacting service delivery to the public.

**Equity Impacts**

N/A

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-250,000
	Internal Materials and Services	0
	Personnel	0
<b>Expense</b>	<b>Sum:</b>	<b>-250,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-250,000
<b>Revenue</b>	<b>Sum:</b>	<b>-250,000</b>



**MF - Office of Management & Finance                      DP Type                      Other Adjustments**

**Request Name: 13404 -IRP-Return General Fund Approp-PBOT**

**Package Description**

The purpose of this budget adjustment request is to return appropriation of \$3,850,000 it received in the Fall BMP to the General Fund so that it can instead be transferred to PBOT. PBOT will use the funding for Laurelhurst benches and Loos projects they will manage.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-3,850,000
<b>Expense</b>	<b>Sum:</b>	<b>-3,850,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-3,850,000
<b>Revenue</b>	<b>Sum:</b>	<b>-3,850,000</b>

**MF - Office of Management & Finance                      DP Type                      Other Adjustments**

**Request Name: 13405 -CityFleet - Fuel Station Bond Issuance**

**Package Description**

The fuel station project is transitioning from line of credit to bond issuance due to the final phase of the project. This request reduces revenue from the line of credit and expenses to match and adds revenue from bond notes and expenses to match. The amount includes the projected expenses to finish the project.

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Capital Outlay	293,472
Debt Service	4,610,528
Internal Materials and Services	55,000
<b>Expense                      Sum:</b>	<b>4,959,000</b>

Account Name	2021-22 SPRING Requested Adj
Revenue                      Bond & Note Proceeds	4,959,000
<b>Revenue                      Sum:</b>	<b>4,959,000</b>

**MF - Office of Management & Finance**

**DP Type**

**Other Adjustments**

**Request Name:** 13406 -IRP-Return General Fund approp-BPS

**Package Description**

The purpose of this budget adjustment request is to return appropriation of \$850,000 it received in the Fall BMP to the General Fund so that it can instead be reassigned to BPS. BPS will use the funding for contracting with SOLV for trash pick-up projects. This is in the form of a cash transfer reduction in fund 701 (\$350,000 originally for additional cleanups) and a General Fund discretionary reduction in fund 100 (\$500,000 originally earmarked for cleanups in dangerous terrains).

**Service Impacts**

This will result in a change in services that were planned to be delivered.

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-850,000
Expense	<b>Sum:</b>	<b>-850,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Fund Transfers - Revenue	-350,000
	General Fund Discretionary	-500,000
Revenue	<b>Sum:</b>	<b>-850,000</b>

**MF - Office of Management & Finance**

**DP Type**

**Other Adjustments**

**Request Name:** 13407 -IRP-Return General Fund approp-LT positions

**Package Description**

The purpose of this budget adjustment request is to return \$227,000 of IRP General Fund appropriation it received in the Adopted Budget to the General Fund so that it can be carried over to next fiscal year. The Impact Reduction Program (IRP) received \$300,000 of General Fund appropriation for two limited-term coordinator positions to assist in managing the large increase in clean up the program is doing. The positions were not hired until mid-fiscal year. This carryover will allow the coordinators to be funded for a year and help assist the IRP address the increased level of cleanups the Council has funded with other General Fund money.

When the carryover is added to the FY 2022-23 budget it will be appropriated to the General Fund cash transfer account so that the money can be transferred to the Facilities Fund where the IRP resides financially.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-51,546
	Personnel	-145,454
<b>Expense</b>	<b>Sum:</b>	<b>-197,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-197,000
<b>Revenue</b>	<b>Sum:</b>	<b>-197,000</b>

**MF - Office of Management & Finance                      DP Type                      New Revenue**

**Request Name:** 13408 -Facilities - Appropriate Vanport revenue

**Package Description**

The purpose of this budget adjustment request is to recognize revenue received from PSU for the City's share of project savings (\$700,000) and the project's ETO rebate (\$47,000), and interest earnings on the City's bond proceeds while held by PSU (\$643,000). The project savings and the interest earnings have to be used for the building's FY 2022-23 debt service, while the ETO money will go into the building's major maintenance account.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	Contingency	1,390,000
Expense	<b>Sum:</b>	<b>1,390,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Miscellaneous	1,390,000
Revenue	<b>Sum:</b>	<b>1,390,000</b>

**MF - Office of Management & Finance**

**DP Type**

**Other Adjustments**

**Request Name:** 13409 -DAM-True up IA with Fleet

**Package Description**

The purpose of this budget adjustment request is to true up the amount of an adjustment made in the Fall BMP for a change to the IA's between DAM and Fleet and Facilities. The IA's were reduced in the Fall BMP for a limited-term employee position going away in DAM and a position being added in Fleet. The amount of the IA reduction was calculated at \$73,382 for the Fall BMP and now based on actual costs of the position from July – October it should be \$58,287, for a \$15,095 increase.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	15,095
<b>Expense</b>	<b>Sum:</b>	<b>15,095</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Interagency Revenue	15,095
<b>Revenue</b>	<b>Sum:</b>	<b>15,095</b>

**MF - Office of Management & Finance**

**DP Type**

**Other Adjustments**

**Request Name:** 13413 -IRP-Convert Fall BMP add to cash transfer

**Package Description**

The purpose of this budget adjustment request is to convert \$300,000 of one-time General Fund discretionary appropriation in the Impact Reduction Program in the General Fund to a cash transfer to the Facilities Fund where the IRP resides financially. This way it the money be carried over to next fiscal year easily in the Facilities Services Fund. This is necessary because the Low Barriers to Employment Program, also known as the Trash for Peace program, has taken time to implement. Trash for peace was a very small organization and it took 6-7 months to work with them to build their capacity. We have reached capacity as of January 2022.

**Service Impacts**

None

**Equity Impacts**

None

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	0
<b>Expense</b>	<b>Sum:</b>	<b>0</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Fund Transfers - Revenue	300,000
	General Fund Discretionary	-300,000
<b>Revenue</b>	<b>Sum:</b>	<b>0</b>

**MF - Office of Management & Finance                      DP Type                      Other Adjustments**

**Request Name:** 13414 -CAO - Hearings Office Alarms IA with Police Bureau

**Package Description**

This request is to recognize an interagency agreement for the Hearings Office to provide Alarms hearings for the Police Bureau for \$20,400.

**Service Impacts**

NA

**Equity Impacts**

NA

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	20,400
<b>Expense</b>	<b>Sum:</b>	<b>20,400</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Interagency Revenue	20,400
<b>Revenue</b>	<b>Sum:</b>	<b>20,400</b>

**MF - Office of Management & Finance                      DP Type                      Internal Transfer**

**Request Name:** 13415 -Facilities - Transfer approp within Genetec project

**Package Description**

The purpose of this budget adjustment request is to transfer appropriation of \$120,000 within the Genetec project from Capital to the BTS IA to recognize that BTS services are a significant part of the project.

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Capital Outlay	-120,000
Internal Materials and Services	120,000
<b>Expense                      Sum:</b>	<b>0</b>

**MF - Office of Management & Finance                      DP Type                      Contingency**

**Request Name: 13417 -CityFleet - Technical Adjustments**

**Package Description**

This request moves \$150,000 to personnel services to align with actuals and as a result of the recent DCTU agreements and potential payouts. This request also moves \$142,500 to IMS to align with actuals in project management.

**Service Impacts**

None

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	-292,500
External Materials and Services	-15,095
Internal Materials and Services	157,595
Personnel	150,000
<b>Expense                      Sum:</b>	<b>0</b>

**MF - Office of Management & Finance**

**DP Type**

**Other Adjustments**

**Request Name:** 13418 -CityFleet - Interagency Adjustments

**Package Description**

To adjust interagencies, both where CityFleet is a provider of services and where CityFleet is a receiver of services. Details provided in the justification field for each IA requested change.

**Service Impacts**

**Equity Impacts**

Account Name		2021-22 SPRING Requested Adj
Expense	Capital Outlay	1,144,201
	External Materials and Services	138,653
<b>Expense</b>	<b>Sum:</b>	<b>1,282,854</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	Interagency Revenue	1,282,854
<b>Revenue</b>	<b>Sum:</b>	<b>1,282,854</b>

**MF - Office of Management & Finance**

**DP Type**

**GF Program Carryover**

**Request Name: 13430 -CAO - CSD Carryforward Call Allocation and Staffing Study**

**Package Description**

This is a request for \$600,000 in General Fund carryover. The Community Safety Division received \$400,000 in the FY 2021-22 Adopted Budget for the Alternative Policing Study and \$300,000 in General Fund One-Time resources in Fiscal Year 2021-22 for the review of the Police Staffing Model. In coordination with City partners and bureaus, CSD has expanded this study to look at Call Allocation and Staffing for all public safety bureaus, not just police. This scope change has resulted in a slight delay to the original timeline for encumbering the funds: While the request for proposals will post this fiscal year (anticipated June 2022), the contract is not expected to be executed or funds encumbered before fiscal year-end deadlines. This programmatic carryover request of \$600,000 will fund the contract expected to be executed in August, Fiscal Year 2022-23. The work is expected to be complete in Fall 2023.

Jurisdictions nationwide are reassessing public safety response methodologies. Similarly, the City of Portland is in a crucial moment for an analysis and examination of public safety service provider call type allocation and response staffing. The Division of Community Safety seeks to contract with one or more vendors to perform a holistic assessment of the types of calls that are dispatched to public safety service providers, and the number and type of public safety providers needed to respond to the different types of calls. Council has already agreed that this study is a priority, based on its allocation of funds for this purpose in the last budget cycle.

Based on a review of similar studies, CSD estimates that the call allocation portion of the study will cost approximately \$300,000 and the staffing portion of the study will also be approximately \$300,000. CSD anticipates awarding a contract for both portions to the same contractor, although contractors may propose to offer just one of the scopes of work. The contractor will propose the appropriate organizational structure, FTE, and budget information required to perform the work, and the City will evaluate all proposals based on technical merit and cost. Performance measures for the study will be outlined in the reporting and deliverables schedule in the contract.

**Service Impacts**

This study will take a holistic look at how the City is currently dispatching 911 calls for service, to ensure the process is efficient and appropriate. It will also provide recommendations for the staffing of public safety bureaus, to ensure there are enough responders to respond to different types of calls for service. CSD wants to ensure that all Portlanders requesting a public safety responder receive the right responder at the right time, with special consideration for how BIPOC communities and people experiencing mental illness and/or homelessness interact with Portland's public safety system. This study will be used to inform bureau staffing requests, as well as Council's decisions on how to appropriately staff public safety bureaus in order to respond to calls for service equitably and in a timely fashion.

The expected results of this study assume that CSD develops a clear scope of work, receives back quality proposals, and selects a contractor that has credibility among the public safety bureaus and Council members. It is critical that the contractor and its methodology for conducting the study are trusted.

CSD is working with the public safety bureaus and procurement staff to identify a reporting and deliverables schedule to track the progress of the work in order to ensure quality methodology and results from the contractor. This schedule will be agreed up on in the contract and managed by a CSD staff member. Ultimately, we will know the study has been successful when it is used by public safety bureaus and Council members to inform decisions around staffing.

If the request to carry over these funds are not approved, CSD will have to curtail the considerable time and effort already devoted to developing the study's scope of work. Additionally Council members will continue to be asked to make budget decisions around staffing for public safety bureaus without data and recommendations based on a holistic, and independent, view of Portland's public safety system as a whole. CSD's budget is very small, so it would be difficult to find an additional source of funding within existing resources of the carryover request is not approved.

**Equity Impacts**

CSD wants to ensure that all Portlanders requesting a public safety responder receive the right responder at the right time, with special consideration for how BIPOC communities and people experiencing mental illness and/or homelessness interact with Portland's public safety system. This call allocation and staffing study will utilize an equity lens to consider how public safety response impacts traditionally marginalized communities and how the system can be improved to better serve them. The study will involve interviews and focus groups with a diverse pool of community members in order to understand different community expectations for 911 call allocation and response. As recommendations from the study are implemented, CSD will track the impact on different communities through ongoing community engagement.

Account Name	2021-22 SPRING Requested Adj
Expense External Materials and Services	-600,000
<b>Expense Sum:</b>	<b>-600,000</b>

**4 - BMP Amendment Request Report (Spring Requested DP**

Run Date: 3/17/22

Run Time: 3:08:29 PM

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<b>Account Name</b>	<b>2021-22 SPRING Requested Adj</b>
Revenue	General Fund Discretionary -600,000
<b>Revenue</b>	<b>Sum: -600,000</b>

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**MF - Office of Management & Finance                      DP Type                      Other Adjustments**

**Request Name: 13447 -CAO - CSD Support from BES**

**Package Description**

This request transfers \$10,100 to the Bureau of Environmental Services for staff support provided in the current fiscal year.

**Service Impacts**

NA

**Equity Impacts**

NA

Account Name	2021-22 SPRING Requested Adj
Expense	10,100
Fund Transfers - Expense	10,100
Personnel	-10,100
<b>Expense</b>	<b>0</b>
<b>Sum:</b>	<b>0</b>

**MF - Office of Management & Finance                      DP Type                      New Revenue**

**Request Name: 13460 -Facilities - IA Technical Adjustments**

**Package Description**

The purpose of this budget adjustment request is to increase IA's with Facilities as provider and three receivers.

**Service Impacts**

Fleet is increasing their IA for project management services mainly associated with their fuel station replacement project, which is in its final stages. BES is increasing their IA for O&M requested services and remodeling of their space at the Portland Communications Center building. The Special Appropriations Office is increasing their IA for rent of space at Walnut Park for OVP and for tenant improvements to the space. The Bureau of Fire & Police Disability & Retirement is increasing their IA for costs associated with moving.

**Equity Impacts**

None

Account Name	2021-22 SPRING Requested Adj
Expense                      Contingency	54,958
External Materials and Services	891,104
Personnel	0
<b>Expense                      Sum:</b>	<b>946,062</b>

Account Name	2021-22 SPRING Requested Adj
Revenue                      Interagency Revenue	946,062
<b>Revenue                      Sum:</b>	<b>946,062</b>

**MF - Office of Management & Finance                      DP Type                      GF Program Carryover**

**Request Name: 13465 -CAO - Bus Ops-Facilities Master Plan Carryover**

**Package Description**

This is a General Fund Carryover request in the amount of \$250,000 to fund the Facilities Master Plan Phase 2B. Funding was requested in the FY 2022-23 budget but the decision package was not recommended by CBO. Phase 2B focuses on space needs, location needs, and real-estate feasibility for multi-bureau shared facilities with an emphasis on maintenance, operations, community safety, and emergency response facilities.

**Service Impacts**

The Citywide Long-Range Facilities Plan is a multi-phase comprehensive assessment of the facilities needed to support the delivery of City services over the next thirty years. This plan includes an assessment of the facilities, identifies opportunities to optimize the City’s current portfolio, evaluates and determines immediate facility deficiencies, and forecasts facility types, sizes, and general geographical areas for future space needs. The plan establishes long-range strategies for City facility management that incorporate equity, resiliency, and sustainability. By the end of the multi-phase project, the City will have a comprehensive Needs Assessment of the City’s current and future space needs, a Master Plan outlining how to address these needs, and an Implementation Plan providing tools and direction for how to accomplish the plan and how to strategically evaluate facility opportunities that may arise over time and how responding to those opportunities benefit or impact the remainder of the plan. This includes options for consolidating space, multi-bureau partnerships on similar facility needs, and disinvestment in property no longer needed to meet core services or service levels.

**Equity Impacts**

The Long-Range Facilities Master Plan project considers equity from a customer perspective, accounting for the bureaus housed in City facilities, and from the perspective of City employees. Employees report to work in varied settings including offices, field work, and maintenance facilities. This project provides the opportunity to identify, evaluate, and propose remedies to ensure equitable workspace and amenities across these facility types and across the broad range of types of work performed by City employees to deliver services to the residents of the Portland.

The project also considers equity from a resident perspective: if new or consolidation of facilities are identified as a need, where these facilities are located geographically in Portland will require the consideration of equity impacts. Based on the types, size, and visitor frequency to a facility, the potential displacement and /or decline of a neighborhood dependent on the type of facility located should be considered as well as the impacts on the existing residents and the identification of potential remedies that should be implemented.

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-250,000
<b>Expense</b>	<b>Sum:</b>	<b>-250,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-250,000
<b>Revenue</b>	<b>Sum:</b>	<b>-250,000</b>

**MF - Office of Management & Finance**

**DP Type**

**GF Program Carryover**

**Request Name: 13482 -CAO - CSD Carryforward Strategic Plan**

**Package Description**

This request is for \$200,000 in General Fund carry forward to conduct a comprehensive community safety strategic plan.? The strategic plan will build upon bureau-specific plans that are in operation and will provide capacity for public safety bureaus that are operating without a strategic plan. In 2021, Portland experienced record numbers of traffic fatalities, drug overdoses, and homicides from gun violence.? Currently, we do not have a community safety strategic plan that transcends across public safety bureaus to ensure emergency response systems are aligned on priorities.? As of March 2022, Portland is on pace to break the record for traffic-related fatalities and homicides. A comprehensive strategic plan will articulate a direction for public safety bureaus to coordinate efforts around reducing the harmful effects of the justice process and strengthening community cohesion.??

**Service Impacts**

As the City shifts the governance model for community safety to one that is more integrated and coordinated, the strategic plan will guide public safety bureaus to an arena that best leverages resources and allows first responders to provide the best possible services to Portlanders. A holistic strategic plan will promote a culture of community-driven prioritization for public safety programs and initiatives.

Over time, it is assumed that community safety bureaus will complement each other in a manner that is effective and yields optimal response times and service catalogues. The strategic plan will guide bureaus by creating an accountability structure for optimizing services, adapting operations to align with today’s society, and absorbing future safety initiatives.

Outcomes could be measured by Council Office and community perceptions of safety and whether community safety initiatives contribute positively to the community’s sense of safety. Other outcomes might include increasing the utilization of shared resources and technology to more effectively perform tasks across public safety bureaus.

If this package is not approved, the City will continue deploying public safety initiatives in an inconsistent manner that does not adequately consider how operational changes in one public safety bureau may impact the services or service levels of another public safety bureau. The current approach to public safety strategic planning does not promote cross-collaboration or a space to determine programmatic tradeoffs. Portland is too large of a city to continue status quo public safety operations – this is evident with the drastic increase in crime and emergencies that we’ve experienced in recent years.

**Equity Impacts**

Failure to fund this package maintains inequities across the public safety bureaus because no structure exists to assess programmatic trade-offs and prioritization of resources when developing community safety initiatives. The City is currently rolling out several programs including Portland Street Response, CHAT, Public Safety Support Specialists, and 311. There’s uncertainty related to how deployment of one program will impact the demands for service on another response program. A holistic community safety plan will evaluate the barriers to government services among Portland’s most underserved communities to ensure our innovations in emergency response minimize potential barriers.

Account Name	2021-22 SPRING Requested Adj
Expense External Materials and Services	-200,000
<b>Expense Sum:</b>	<b>-200,000</b>

Account Name	2021-22 SPRING Requested Adj
Revenue General Fund Discretionary	-200,000
<b>Revenue Sum:</b>	<b>-200,000</b>

**MF - Office of Management & Finance****DP Type****GF Program Carryover****Request Name: 13488 -CAO - Hearings Office Carryforward for Revenue Shortfall****Package Description**

This request is for \$50,000 to cover the Hearings Office's revenue shortfall.

The Hearings Office is funded by a mixture of general funds and funds paid by City bureaus/offices pursuant to inter-agency agreements with the Hearings Office. Title 16 tow appeal hearing requests are funded by an inter-agency agreement with several bureaus that initiate tows on behalf of the City. Since the beginning of the pandemic, there have been fewer requests for appeal hearings to challenge vehicle tows. The Hearings Office's budget, therefore, has been severely impacted. Note that the Hearings Office does not charge individual members of the public a fee in order to receive a tow appeal hearing because this is tied to equity concerns and a desire to remove barriers to accessing this due process right.

In recent years, the Mayor directed the Hearings Office to take a 5% cut from its budget. To compensate for this loss we decreased the office's reliance on independent contracted hearings officers (historically utilized for their land use expertise and conflict of interest cases). Nearly all of those land use cases are now being handled internally. A single land use case absorbs a greater amount of hearings officer resources in terms of preparation, holding a public hearing, and issuing a decision than any other case type. This increased workload for the Hearings Office puts significant pressure on the office employees. In other words, a decrease in tow cases does not off-set the additional work of land use cases (comparing these two types of cases is like comparing apples and oranges).

The Hearings Office has two FTE Hearings Officers (the Chief Hearings Officer and a full time Hearings Officer position, (which is split between two permanent part-time hearings officers) and two FTE clerks. This is the bare minimum staffing level required to maintain continuity of operations providing our essential duties on behalf of the City. In other words, we have one layer of full-time back up for each of the two position types required for the office to function. This redundancy is required to meet our deadlines required by the Code and the Oregon Revised Statutes. Again, our services are considered essential and yet our funding is dependent case levels that fluctuate for reasons that are outside our control.

Currently, delivery of services is primarily through Zoom and an online Case Management System, both of which were launched at approximately the time the pandemic began. While these technology platforms have been absolutely necessary and our office would have been more severely impacted without them, they come with associated financial costs. The Hearings Office also has a physical office space that will be utilized for land use public hearings and to house the staff when we return to the office in April. The cost to provide these services to the City (employees, case management system, and office space) are stable costs that do not fluctuate as the number of cases goes up or down. The number of tow appeal cases received by the Hearings Office is entirely the result of extraneous factors over which the office has no control. In the current request, we infer that the funding gap is caused by the pandemic related factors such as lower enforcement of parking regulations, lenient enforcement policies for expired registration, and fewer individual drivers on the roads or parking downtown. Although the workload on employees has increased (by absorbing the land use case load that used to be outsourced), our revenue is down because the relatively simple tow appeal cases that significantly fund our office are lower. This situation is untenable and must be amended in future fiscal years.

**Service Impacts**

This request will ensure continuation of timely hearings to both the public and City bureaus. Most costs (personnel, office space lease, case management system's hosting and licensing) are fixed. The Hearings Office needs to avoid the impacts of shortfall, any of which would be detrimental to its operations. If the Hearings Office is not able to perform its essential services then the City risks great financial liability and reputational damage.

The Hearings Office assumes that the level of towing cases will increase to some extent, but not to pre-pandemic levels, once the City fully reopens, and enforcement action increases. The Hearings Office submitted an ARPA request for federal funds related to the impacts of the COVID19 pandemic. That request was denied as follows:

The Hearings Office does not charge the public fees or fines. The bridge in funding is to replace funds paid by City bureaus utilizing our services for towed vehicle appeals on a per-case basis (Example PBOT, PPB, Parks). A lack of adequate funding jeopardizes our ability to carry out essential duties related to the public's due process protections. The Hearings Office should be entirely funded by general funds because it is a city-wide service with oversight functions. The financial stability of this office impacts its ability to be truly independent in its mission to provide a checks and balances (judicial branch, executive branch, legislative branch). The Hearings Office should be funded by an alternate City funding model, but that decision would lie with the City Budget Office, City Council, and the Charter Review Commission – it is not a viable alternative to bridge the current gap in funding

**Equity Impacts**

The Hearings Office is a cost-effective venue for disputes to be aired reduces the need for them to be litigated in court or the media, which are alternatives that often reinforce perceptions that government cannot be trusted to treat people fairly. Our hearings are often the only avenue for residents or property owners to contest a City action that affects them.

Our dispute resolution process removes barriers to receiving a "day in court", as, during the pandemic, the Hearings Office has provided all of its hearings online via Zoom, keeping people (especially highly vulnerable populations) safe. The Hearings Office has eliminated charging fees for hearings, in part because fees caused a disparate impact on historically marginalized communities and low-income communities. In addition, failure to pay vendors (e.g., Zoom or our Case Management System host) would, at a minimum, require parties to return to in-person hearings, increasing the parties' cost of a hearing, including missing work, and paying for gas and parking costs. Lower-wage workers are also less-able to flex their work schedules to accommodate the time for an in-person hearing.

Account Name		2021-22 SPRING Requested Adj
Expense	Personnel	-50,000
<b>Expense</b>	<b>Sum:</b>	<b>-50,000</b>

Account Name		2021-22 SPRING Requested Adj
Revenue	General Fund Discretionary	-50,000
<b>Revenue</b>	<b>Sum:</b>	<b>-50,000</b>

**MF - Office of Management & Finance**

**DP Type**

**GF Program Carryover**

**Request Name: 13496 -CAO - Bus Ops-Unified Comms Carryover**

**Package Description**

OMF Business Operations is requesting a program carryover in the amount of \$120,000 to fund the Unified Communications work. Unified Communications was originally submitted as a decision package in the FY 2022-23 but was not recommended by CBO. The request would provide funding for citywide communications assets, including the creation and translation of content that improves access to government services and crisis information, development of design templates that meet accessibility standards, and the provision of media and software subscriptions that are available across bureaus. These investments strengthen the foundation of the Unified Communications Pilot, fulfilling several high-priority needs identified by bureaus to provide efficient and equitable communications for Portlanders.

Historically, the City of Portland has not dedicated any positions or resources to Citywide communications, relying exclusively upon bureau communications teams to meet public information needs. The impacts of this gap became clear during the past two years, as the City faced multiple crises: a global pandemic, an economic recession, a racial justice reckoning and extreme weather events. Unless Portlanders know how their city government is organized, it can be difficult to access services and information – particularly for Black people, Indigenous people, People of Color and others who have historically been harmed or ignored by public institutions. Additionally, a lack of Citywide infrastructure can create inefficiencies and duplication of efforts across bureaus.

Survey results have informed a long-term framework to deliver efficient, effective and strategic citywide communications in coordination with bureau communications teams. To maximize results, this vision would require additional staff capacity. This program carryover requests only modest one-time investments that can be managed by the existing Unified Communications Pilot team: a Multimedia Content Specialist (Coordinator 2) and a Social Media Strategist and Community Manager (Coordinator 3). Guided by the values of equity and anti-racism, these initiatives will build communications infrastructure to better serve City bureaus and community members.

The Unified Communications Pilot team regularly reports on the City's social media audience and engagement metrics, as well as facilitating Citywide evaluation of multi-bureau communications initiatives. In addition to continuing these ongoing assessments, the team will deliver a report at the end of Fiscal Year 2022-2023 to evaluate the impact of these investments and make recommendations about ongoing funding needs.

**Service Impacts**

Impact: These investments will help community members find City information, access resources and participate in decision-making – particularly Black, Indigenous, People of Color and other communities who have historically been harmed or ignored by public institutions. The impacts of more effective, more equitable communications are widespread, from helping community members find shelter during extreme weather events to helping community organizations learn about grant opportunities.

Additionally, Citywide communications resources will reduce duplication of efforts and expenses across City bureaus. This supports bureau communications teams in directing their resources toward the unique needs of the programs and communities they serve. It also ensures that smaller bureaus, or those with less funding, have access to basic communications tools such as design templates and media subscriptions.

Some impacts of these investments can be measured with concrete numbers, in the near future. For example, we can track the audience size and engagement levels across the City’s central social media channels to gauge who the content is reaching. Additionally, we can track the distribution of translated materials to audiences who speak languages other than English. Other impacts – such as increased trust in local government -- will be harder to quantify and take longer to materialize. One mechanism to track results over time will be the Portland Insights Survey conducted by the City Budget Office, which gauges community satisfaction with local government.

Assumptions: This analysis is based on widely accepted best practices in public sector communications, as well as community feedback received through recent City engagement efforts. For example, community members have identified accessible, relevant, coordinated communications as a priority in their feedback to Portland’s independent Charter Commission, which is evaluating ways to improve city government.

Measuring outcomes: As noted above, the Unified Communications Pilot team will continue providing digital engagement metrics and facilitating conversations across bureaus to evaluate communications initiatives. At the end of Fiscal Year 2022-2023, a report will be produced to evaluate the impact of these investments and make recommendations about ongoing funding needs. Additionally, the team will continue convening the Unified Communications Steering Committee, which includes bureau communications representatives as well as Citywide website and customer service representatives. This group has played a vital role in both guiding and evaluating coordinated approaches to communications.

Alternatives: Because the City has not previously funded Citywide communications resources, the only alternatives would be asking bureaus to contribute toward shared communications priorities or relying on the limited funding available through the American Rescue Plan. Although there is widespread bureau support for these communications investments, there is no mechanism for collectively funding them – and bureaus are facing their own budget constraints. Although the two Unified Communications Pilot positions are funded by the American Rescue Plan, additional investments must be carefully vetted through federal funding guidelines that require a direct nexus to the COVID-19 pandemic. The investments proposed here, while vital to the City’s values of equity, transparency and communications, are most appropriately resourced with general fund dollars.

Regional perspectives: Most large organizations – both private and public – invest in central resources to ensure effective, efficient and strategic communications and community engagement. For example, the Metro regional government and Multnomah County both operate core communications teams and shared resources to support embedded communications staff who serve public-facing departments and programs.

**Equity Impacts**

From its inception, the City’s Unified Communications Pilot has centered the needs of communities who lack access to government resources and decision-making -- and, as a result, are most impacted by the absence of coordinated, accessible communications. As noted above, equity was one of the guiding principles used to evaluate potential communications resources in a cross-bureau survey. Each of the proposed investments in this decision package is framed through an equity lens:

Design templates will be multilingual and ADA-accessible.

Translation will ensure that core City materials and emergency information are accessible to Portlanders who speak Spanish, Chinese, Vietnamese and Russian.

We will seek opportunities to work with Black, Indigenous, People of Color and multilingual creative professionals to produce content that reaches diverse communities.

Centrally managed media subscriptions will ensure that smaller bureaus with fewer resources have access to news content, including culturally specific media outlets.

Social media advertising will expand the audience for essential information that helps people access needed government resources and participate in decision-making.

Account Name		2021-22 SPRING Requested Adj
Expense	External Materials and Services	-120,000
Expense	Sum:	-120,000

**4 - BMP Amendment Request Report (Spring Requested DP**

Run Date: 3/17/22

Run Time: 3:08:29 PM

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<b>Account Name</b>	<b>2021-22 SPRING Requested Adj</b>
Revenue	General Fund Discretionary -120,000
<b>Revenue</b>	<b>Sum: -120,000</b>

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# Business Area Projection Report

## Office of the Chief Administrative Officer - 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	1,913,738	1,206,405	1,913,738	100%
Fund Transfers - Expense	10,100	0	0	
Internal Materials and Services	2,027,581	1,154,106	2,009,581	99%
Personnel	11,085,992	5,285,618	9,788,637	88%
<b>Sum:</b>	<b>15,037,411</b>	<b>7,646,129</b>	<b>13,711,956</b>	<b>91%</b>

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	2,543	0	
General Fund Discretionary	5,967,837	0	5,517,837	92%
General Fund Overhead	2,856,878	0	2,856,878	100%
Interagency Revenue	5,851,033	2,760,301	4,975,578	85%
Intergovernmental	361,663	180,832	361,663	100%
<b>Sum:</b>	<b>15,037,411</b>	<b>2,943,675</b>	<b>13,711,956</b>	<b>91%</b>

### Revenue Discussion

Office of the CAO billable revenues are expected to be billed to budget, although any underspending are reconciled at year end and billed accordingly. OMF is forecasting to use all but approximately \$450K in General Fund resources, largely attributed to vacancy savings in the 311 Program.

### Revenue Risks

The risk to revenues is largely a product of not receiving the DCTU and COLA/Merit set asides. If these packages are not received, OMF risks going over-budget or will not be able to fund Spring BMP requests.

### Expenditure Discussion

Vacancy savings in the 311 Program is forecasted to result in a \$450K GF surplus at year end. The Spring BMP requests include carryover of resources that are in large part funded by DCTU and COLE/Merit set aside requests, if not potential savings in other areas, i.e. 311 Program.

### Expenditure Risks

Expenditure risks are primarily a product of OMF Spring BMP requests to both receive contingency and set-aside revenues, funding Spring BMP requests to carry forward appropriations to next fiscal year. Other noteworthy risks include a significant amount of accrued vacation hours across the City, which is true in OMF CAO as well.

### Other Notes

# Business Area Projection Report

## Office of Management & Finance - Fund 607

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	\$2,141,715	\$91,492	\$1,500,000	70%
Contingency	\$6,733,222	\$0	\$9,923,058	147%
Debt Service	\$3,444,440	\$285,720	\$3,444,440	100%
External Materials and Services	\$3,966,964	\$823,098	\$3,856,222	97%
Fund Transfers - Expense	\$146,150	\$78,408	\$146,150	100%
Internal Materials and Services	\$614,101	\$346,893	\$628,001	102%
Personnel	\$475,493	\$279,527	\$447,236	94%
<b>Sum:</b>	<b>\$17,522,085</b>	<b>\$1,905,138</b>	<b>\$19,945,107</b>	<b>114%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	\$11,994,024	\$0	\$11,994,024	100%
Charges for Services	\$3,556,684	\$4,169,208	\$5,895,780	166%
Fund Transfers - Revenue	\$748,964	\$0	\$748,964	100%
Intergovernmental	\$1,167,413	\$28,653	\$1,167,413	100%
Miscellaneous	\$55,000	\$33,170	\$138,926	253%
<b>Sum:</b>	<b>\$17,522,085</b>	<b>\$4,231,032</b>	<b>\$19,945,107</b>	<b>114%</b>

### Revenue Discussion

Charges for Services, which is comprised of income generated from events at Veteran's Memorial Coliseum, Moda Center, and Providence Park, was budgeted conservatively given the ambiguity of when events would resume following the COVID-19 pandemic. However, venue activity remained steady throughout the fiscal year resulting in revenue budgets being surpassed. Unbudgeted Cares Act funding caused Miscellaneous Revenue to exceed budget.

### Revenue Risks

Recurrence of COVID-19 restrictions and lower than normal attendance levels pose a risk to revenue performance. However, as noted in the revenue discussion, venue activity has remained consistent and revenues surpassed budgeted amounts.

### Expenditure Discussion

Projected expenditures are mostly on track with budgeted amounts with Capital Outlay as an exception. Several budgeted capital projects at VMC and Providence Park are not anticipated to either start or finish within the fiscal year as intended.

### Expenditure Risks

Although expenditures are expected to remain under budget, unanticipated large-dollar costs associated with aging venues is possible.

### Other Notes

None.

# Business Area Projection Report

## Office of the Chief Administrative Officer - Fund 702

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	31,765,429	1,886,462	2,829,693	9%
Contingency	21,818,597	0	2,211,097	10%
Debt Service	5,381,047	31,087	770,519	14%
External Materials and Services	15,317,139	8,701,641	12,263,832	80%
Fund Transfers - Expense	1,168,470	761,636	1,168,470	100%
Internal Materials and Services	2,576,720	1,506,353	2,252,012	87%
Personnel	10,282,234	5,808,161	8,712,241	85%
<b>Sum:</b>	<b>88,309,636</b>	<b>18,695,341</b>	<b>30,207,864</b>	<b>34%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	29,739,644	0	29,739,644	100%
Bond & Note Proceeds	5,519,000	0	0	
Interagency Revenue	50,245,802	25,880,017	38,820,026	77%
Intergovernmental	1,150,893	425,812	638,721	55%
Miscellaneous	1,654,297	652,213	978,319	59%
<b>Sum:</b>	<b>88,309,636</b>	<b>26,958,042</b>	<b>70,176,710</b>	<b>79%</b>

### Revenue Discussion

CityFleet revenue is primarily from other City bureaus through interagency rates and billings. Other revenue sources include intergovernmental agencies for CityFleet services, miscellaneous revenue from the sales of vehicles and equipment at auction, and interest earnings and fuel station line of credit reimbursements.

### Revenue Risks

CityFleet interagency and intergovernmental revenues are based on the service needs of the customers. A decrease in services due to COVID-19 closures with intergovernmental customers has reduced revenues under intergovernmental revenues. Motor pool program has taken a hit due to stay at home requirement for city employees. Revenue from fuel is lower due to impact on customers' use. Lower billable hours due to vacancies also impacts revenue. Revenue for fuel station line of credit is transitioning from line of credit to bond issuance for the final phase of the project. The year-end operating reserves for CityFleet is projected at \$563,305 which falls under the policy reserve at 4% of the fixed costs. This is primarily due to the loss of billable hours from vacancies resulting in drawing down the operating reserves.

### Expenditure Discussion

CityFleet is anticipated to be below budget on the major object codes. Personnel expenses is lower than projected due to vacancy savings in many positions in the billable rate. Capital expenses are projected under budget as purchases for vehicles and equipment are made as needed based on the replacement schedule or when a bureau requests a new vehicle. Bureaus are billed when vehicles and equipment are received and in service from the vendors. External materials and services include pass-through costs such as repair and maintenance services, fuel, and parts. These items are based on services and needs of customers and projected to be lower than budgeted as bureaus have cut back on requests.

### Expenditure Risks

CityFleet is transitioning to a fix rate model for next fiscal year to mitigate the reduction of operating reserves due to decreases in billable hours. As the city shifts to a hybrid model of remote work, more services may be requested by the bureaus resulting in an increase in expenses.

### Other Notes

# Business Area Projection Report

## Office of the Chief Administrative Officer - Fund 702

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	31,765,429	1,886,462	2,829,693	9%
Contingency	21,818,597	0	42,179,943	193%
Debt Service	5,381,047	31,087	770,519	14%
External Materials and Services	15,317,292	8,701,641	12,263,832	80%
Fund Transfers - Expense	1,168,470	761,636	1,168,470	100%
Internal Materials and Services	2,576,720	1,506,353	2,252,012	87%
Personnel	10,282,234	5,808,161	8,712,241	85%
<b>Sum:</b>	<b>88,309,789</b>	<b>18,695,341</b>	<b>70,176,710</b>	<b>79%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	29,739,644	0	29,739,644	100%
Bond & Note Proceeds	5,519,000	0	0	
Interagency Revenue	50,245,955	25,880,017	38,820,026	77%
Intergovernmental	1,150,893	425,812	638,721	55%
Miscellaneous	1,654,297	652,213	978,319	59%
<b>Sum:</b>	<b>88,309,789</b>	<b>26,958,042</b>	<b>70,176,710</b>	<b>79%</b>

### Revenue Discussion

CityFleet revenue is primarily from other City bureaus through interagency rates and billings. Other revenue sources include intergovernmental agencies for CityFleet services, miscellaneous revenue from the sales of vehicles and equipment at auction, and interest earnings and fuel station line of credit reimbursements.

### Revenue Risks

CityFleet interagency and intergovernmental revenues are based on the service needs of the customers. A decrease in services due to COVID-19 closures with intergovernmental customers has reduced revenues under intergovernmental revenues. Motor pool program has taken a hit due to stay at home requirement for city employees. Revenue from fuel is lower due to impact on customers' use. Lower billable hours due to vacancies also impacts revenue. Revenue for fuel station line of credit is transitioning from line of credit to bond issuance for the final phase of the project. The year-end operating reserves for CityFleet is projected at \$563,305 which falls under the policy reserve at 4% of the fixed costs. This is primarily due to the loss of billable hours from vacancies resulting in drawing down the operating reserves.

### Expenditure Discussion

CityFleet is anticipated to be below budget on the major object codes. Personnel expenses is lower than projected due to vacancy savings in many positions in the billable rate. Capital expenses are projected under budget as purchases for vehicles and equipment are made as needed based on the replacement schedule or when a bureau requests a new vehicle. Bureaus are billed when vehicles and equipment are received and in service from the vendors. External materials and services include pass-through costs such as repair and maintenance services, fuel, and parts. These items are based on services and needs of customers and projected to be lower than budgeted as bureaus have cut back on requests.

### Expenditure Risks

CityFleet is transitioning to a fix rate model for next fiscal year to mitigate the reduction of operating reserves due to decreases in billable hours. As the city shifts to a hybrid model of remote work, more services may be requested by the bureaus resulting in an increase in expenses.

### Other Notes

# Business Area Projection Report

## Office of the Chief Administrative Officer - Fund 701

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Capital Outlay	9,249,463	-130,975	5,317,330	57%
Contingency	31,978,600	0	36,525,568	114%
Debt Service	12,979,843	3,968,398	12,979,843	100%
External Materials and Services	47,718,065	15,541,290	45,127,480	95%
Fund Transfers - Expense	2,752,321	1,478,130	2,752,321	100%
Internal Materials and Services	10,986,988	3,981,705	6,766,023	62%
Personnel	6,773,400	4,037,744	5,925,508	87%
<b>Sum:</b>	<b>122,438,680</b>	<b>28,876,291</b>	<b>115,394,073</b>	<b>94%</b>

Major Object	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	2021-22 SPRING Projection	% Projected Actuals to Requested Total
Beginning Fund Balance	50,382,637	0	50,382,637	100%
Charges for Services	1,099,016	533,262	814,030	74%
Fund Transfers - Revenue	10,899,976	3,633,223	10,599,976	97%
Interagency Revenue	56,326,929	32,473,120	49,992,130	89%
Intergovernmental	2,168,122	751,244	1,531,477	71%
Miscellaneous	1,562,000	1,863,816	2,073,823	133%
<b>Sum:</b>	<b>122,438,680</b>	<b>39,254,666</b>	<b>115,394,073</b>	<b>94%</b>

### Revenue Discussion

Many of Facilities revenues are for fixed rental charges or corporate charges. The fixed nature has certainly been of a benefit this fiscal year. The other major revenue source is billings for operations and maintenance services on a time and materials basis which are subject to customer demand.

Billings to PBOT's parking garages, other time and materials locations, and requested services are projected to be low as bureaus have reduced requests for services. Police in particular have really cut back on requested services.

The IA revenue projection assumes no reductions in rental rates or corporate rates for reduced service levels. Any savings from these will increase major maintenance accounts for buildings and the fund's operating reserve.

Billings to ODOT for HUCIRP services will be less than the budget estimate even though services will ramp up to them in the Spring. Services have been reduced due to COVID-19 restrictions on camp site cleanups. Since this is primarily a pass thru service to ODOT this has not hurt the program's finances.

Revenues from commercial spaces have been reduced as the City has abated rents to help tenants get thru the pandemic. Fortunately, this is not a large resource for the buildings the fund owns. It is a larger issue for Union Station, which Prosper Portland contracts with Facilities for property management services.

### Revenue Risks

# Business Area Projection Report

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Revenue risks to the fund include reduced billable services revenues as bureaus have employees at home working and not needing services from Facilities, or see their revenues decrease and need to start reducing their services from the fund.

The projection has the fund receiving all the General Fund resources the IRP received in the Fall BMP. What is not spent will be carried over to next fiscal year as the catch up of cleanups continues.

Facilities has begun a project to work with bureaus on what their post-COVID office space/environment looks like and how it accommodates teleworkers. The City has leases in private office buildings that expire in the next few years and this presents the opportunity for the City to consolidate operations in buildings it owns. This will allow bureaus to reduce their space and have bureaus coming in from leased space occupy it. Facilities needs to be pro-active in this work to prevent bureaus from just vacating space which would lead to a reduction in revenues and ultimately higher costs for bureaus that remain in their existing space.

## **Expenditure Discussion**

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The fund has had a number of vacant positions and this has created savings in Personnel Services. This has been closely monitored because some vacant positions are billable and some are not and these impact the fund in different ways. Projections indicate the fund's operating reserve will not be impacted by this too much.

Many of the expenses for facilities the fund owns and for facilities the fund provides service to on a contract basis are of a fixed nature and so are difficult to ramp down as usage decreases. Every effort has been made to reduce operating costs in the areas of utilities and contracted services. Reductions in spending have been to discretionary EMS and IMS.

As a result of COVID-19 some buildings saw higher costs for cleaning and operations and maintenance. These buildings include Police precincts, the ECC, and the PCC. Other buildings, closed to all but essential employees, are seeing reduced costs. Gains or losses on rental rates increase or decrease building major maintenance accounts.

EMS and IMS savings are projected to result from the City's focus on only essential spending and bureaus are cutting back on billable projects and requested services.

The fund continues to work on closing out the Portland Building and Vanport projects which due to the pandemic have been delayed.

## **Expenditure Risks**

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A major expenditure risk is the overall deteriorating condition of Police facilities. There are more projects identified as needed than funding available in the future and the buildings are not meeting their needs.

Another major expenditure risk is the overall deteriorating condition of City Hall. There are more projects identified as needed than funding available in the future.

## **Other Notes**

## Capital Program Status Report

### Office of Management & Finance - Office of the Chief Administrative Officer

CIP Program Name	2020-21 Adopted Budget	2020-21 Revised Budget	2020-21 Actuals	PY Variance	PY Percent of Actuals to Revised	2021-22 Adopted Budget	2021-22 SPRING Requested Total	2021-22 February Actuals YTD	Spring Req. to Adopted Variance	Spring Req. to Adopted % Variance
CityFleet	15,763,241	21,949,824	10,691,767	-11,258,057	48.71%	18,332,083	27,024,581	2,117,767	8,692,498	32.17%
Facilities	11,689,460	35,831,224	10,411,794	-25,419,430	29.06%	16,110,724	25,128,187	4,738,279	9,017,463	35.89%
<b>Sum:</b>	<b>27,452,701</b>	<b>57,781,048</b>	<b>21,103,561</b>	<b>-36,677,487</b>	<b>-63.48%</b>	<b>34,442,807</b>	<b>52,152,768</b>	<b>6,856,045.39</b>	<b>17,709,961</b>	

### Current Year Variance Description

#### Facilities

There is 37% increase in the CIP budget for Facilities from the Adopted Budget to the Revised Budget due to the addition of the following projects in the Fall BMP:

- \$2.26 million for Portland Building reconstruction close out and post projects
- \$2.2 million for a project to relocate Housing to 1900 Building
- \$935,000 for installation of Genetec security system at some City facilities
- \$480,000 for carryover City Hall major maintenance projects
- \$2.6 million for carryover 1900 Building major maintenance projects
- \$539,000 for carryover other buildings major maintenance projects

#### Fleet

The FY 2022 budget increased to cover the cost of new purchases requested by bureaus for vehicle and equipment. The variance is due to the unknown timing of the receipt of vehicles and equipment which is dependent on manufacturers. Over the last few years, due to supply chain backlogs, manufacturers are behind in the orders. Fuel station budget has changed to reflect the final project projection.

### Other Notes