PORTLAND
CITY AUDITOR
Simone Rede

March 16, 2023

To: Mayor Ted Wheeler
Commissioner Carmen Rubio
Commissioner Dan Ryan
Commissioner Rene Gonzalez
Commissioner Mingus Mapps

Cc: Timothy Grewe, Budget Office Director

From: City Auditor Simone Rede

Re: FY 2022-23 Spring Budget Monitoring Report

Enclosed please find our year-end projections for operations in the Auditor's Office supported by the General Fund. An update on a previous budget note has been provided to the City Budget Office separately.

- Overall operational expenditures are within the spending plan for each major object area. The Auditor's Office projects underspending in Personnel Services and External Materials and Services and within the budgeted resources for Internal Materials and Services. Details are provided in the attached projection report.
- Personnel expenditure assumptions do include costs associated with an initial Collective Bargaining Agreement between the City and AFSCME Local 189. The Agreement is recommended for ratification by City Council on March 22, 2023. These estimated costs include one-time payments, retroactive pay, and COLA increases.

Business Area Projection Report

Office of the City Auditor - Fund 100

Major Object	2022-23 SPRING Requested Total	2022-23 February Actuals YTD	2022-23 SPRING Projection	% Projected Actuals to Requested Total
External Materials and Services	$1,151,070	$607,375	$940,269	82%
Internal Materials and Services	$2,465,942	$1,714,811	$2,466,948	100%
Personnel	$5,956,155	$3,417,990	$5,199,575	87%
Sum:	**$9,573,167**	**$5,740,176**	**$8,606,792**	**90%**

Major Object	2022-23 SPRING Requested Total	2022-23 February Actuals YTD	2022-23 SPRING Projection	% Projected Actuals to Requested Total
Fund Transfers - Revenue	$54,947	$0	$17,474	32%
General Fund Discretionary	$4,045,050	$0	$3,119,842	77%
General Fund Overhead	$5,466,670	$0	$5,466,670	100%
Miscellaneous	$6,500	$1,870	$2,805	43%
Sum:	**$9,573,167**	**$1,870**	**$8,606,791**	**90%**

Revenue Discussion

The Auditor's Office projects revenues to be within the spending plan for FY 2022-23.

Revenue Risks

There are no current risks to revenues projected for FY 2022-23.

Expenditure Discussion

The Auditor’s Office projects that expenditures will be within budget for Internal Materials and Services. Personnel Services and External Materials and Services will be underspent at the end of FY 2022-23 due to several factors: intermittent vacant positions throughout the fiscal year, lower-than-anticipated spending for professional services, and reduced operational spending.

Expenditure Risks

There are no current risks to expenditures projected for FY 2022-23.

Other Notes

Business Area Projection Report

Office of the City Auditor - Fund 100

Major Object	2022-23 SPRING Revised Base	2022-23 SPRING Total ADJ	2022-23 SPRING Requested Total	Requested Adjustment as % of Total Requested Budget
External Materials and Services	1,151,070	0	$1,151,070	0.00%
Internal Materials and Services	2,465,942	0	$2,465,942	0.00%
Personnel	5,956,155	0	$5,956,155	0.00%
Sum:			**$9,573,167**	

Major Object	2022-23 SPRING Revised Base	2022-23 SPRING Total ADJ	2022-23 SPRING Requested Total	Requested Adjustment as % of Total Requested Budget
Fund Transfers - Revenue	54,947	0	$54,947	0.00%
General Fund Discretionary	4,045,050	0	$4,045,050	0.00%
General Fund Overhead	5,466,670	0	$5,466,670	0.00%
Miscellaneous	6,500	0	$6,500	0.00%
Sum:			**$9,573,167**	

Revenue Discussion

The Auditor's Office projects revenues to be within the spending plan for FY 2022-23.

Revenue Risks

There are no current risks to revenues projected for FY 2022-23.

Expenditure Discussion

The Auditor’s Office projects that expenditures will be within budget for Internal Materials and Services. Personnel Services and External Materials and Services will be underspent at the end of FY 2022-23 due to several factors: intermittent vacant positions throughout the fiscal year, lower-than-anticipated spending for professional services, and reduced operational spending.

Expenditure Risks

There are no current risks to expenditures projected for FY 2022-23.

Other Notes

FY 2022-2023 Budget Note Update
Auditor's Office

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

Budget Note Title: Auditor's Office Prior Year Underspending

Budget Note Language: Beginning in FY 2019-20, City Council directs the City Budget Office to create a sub-fund in the General Reserve Fund. Annually, as part of the Fall Supplemental Budget Process, CBO is directed to transfer prior year underspending in the Auditor's Office to the sub-fund for the purpose of funding duties as charter-mandated or agreed to by the City Auditor. The total amount of the sub-fund shall not exceed $500,000. Any excess underspending of the Auditor's Office shall be included in General Fund year-end underspending.

Summary Status: Underway

Budget Note Update: March 16, 2023

In FY 2021-22, the Auditor's Office transferred $93,410 from the reserve fund to extend a limited-term Elections Coordinator position and related expenses to support the implementation of Charter-mandated campaign finance regulations. The reserve fund was utilized again in FY 2022-23 to extend the limited-term Elections Coordinator I position through December 2022 due to the increased workload. The Auditor's Office is considering using it in FY 2023-24 to fund one to three limited-duration positions to support much needed capacity across our Audit Services, Ombudsman, and Operations Management divisions. These positions will ensure our services keep pace with the City's Charter transition. The extent and types of positions funded will depend on the level of funding the Office receives as part of the Charter transition team's broader request for transition-related resources.

2023 Adopted Budget | Decision Package No. 13,064 - 1 FTE Elections Coordinator

Package Description:

The Auditor's Office requests $114,369 in on-going General Funds for a permanent, full-time equivalent Elections Coordinator I position. The Coordinator I position was originally funded in Fiscal Year 2019-20 as a temporary, limited duration position to assist with the implementation, enforcement, and outreach for the newly established campaign finance regulations as passed by Portland voters in November 2018. The Auditor's Office used one-time money from its Reserve Fund to extend the position through Dec. 31, 2022 but expects the workload for the Elections Office to hold steady or increase, which necessitates ongoing funding.

In 2018, Portland voters approved City campaign finance regulations for which the Elections Office is responsible. The Elections Office implemented the bulk of the regulations just prior to the 2020 primary and within weeks of the courts deciding certain constitutional questions. Council approved a request for a full-time temporary, limited duration Coordinator I position to implement and launch the regulations and procedures to enforce them. The one-time funding concluded at the end of Fiscal Year 2020-21, but the Auditor's Office applied one-time cost savings during last year's budget cycle to extend the position through December to meet the anticipated workload demands through the 2022 election season.

The Elections Office has come to rely on the Coordinator I position to serve as a subject matter expert to provide timely assistance with complaint investigations within mandatory timelines, update procedures and rules, process election filings, create informative public resources, and respond to numerous and simultaneous requests for assistance. After the 2020 election season, the coordinator helped develop an online candidate filing portal and an additional fee payment portal, reorganized and upgraded website content, increased form accessibility, revitalized reminder emails, captured and analyzed Elections Office data, and helped develop Results Based Accountability anti-racism goals and strategies. The position helped the Elections Office resolve 66 campaign finance complaints, remove filing barriers for historically marginalized Portlanders, expand accessibility as required by the Americans with Disabilities Act, increase timely disclosure reporting, and improve transparency.

Current service demand exceeds the capacity of the Elections Officer to meet them without the Coordinator I position. Without support of the coordinator position, the Auditor's Office will be unable to maintain the level of professional service, responsiveness, and curated guidance expected by the public. At a minimum, the loss of the position will lead to delays in implementing the elections process and enforcing campaign regulations, which increases the City's exposure to litigation and decreases public satisfaction.

Service Impacts:

Anticipated service impacts without funding for the Elections Coordinator I include difficulty meeting mandatory investigatory and elections process timelines; delayed processing of candidate and petition filings; and delayed or diminished information available to the public that answer questions about City elections and complex campaign regulations.

Equity Impacts:

Elections Office equity goals include increasing equitable representation and elections engagement through an active and informed electorate. The Office developed an equity plan to engage community stakeholders, identity information gaps, diversify and expand election communication methods, and increase information available to the public. Coordinator I support is essential to implementing these goals in the coming year.
Anticipated equity impacts from the loss of a Coordinator I include the loss or delay of:

•Efforts to increase voter outreach and education,
•Timely updates to increase accessibility,
•Translated public information for non-English speakers, and
•Collection and analysis of elections data to monitor progress toward equity goals.

These anticipated losses are directly related to loss of support provided by the Coordinator I in the areas of technical proficiency, analytic skill, coordination, subject matter expertise, and time. It should also be noted that the effects of the above listed impacts will disproportionately impact Black, Indigenous, and People of Color; individuals with disabilities; and those with limited access to essential elections information.

Appropriation Details

General Fund Discretionary	$48,034
General Fund Overhead	$66,335
Total Revenue	**$114,369**
Personnel	$114,369
Total Expense	**$114,369**

Full-Time Positions	1.00
Total FTE	**1.00**

Update Information

Status Date: 3/16/2023
DP Status: Partially Implement
Amount Spent: $23,827
Percent Complete 20.83%

Implementation Status:

This Coordinator I was hired and began work in February 2023. Shortly after being hired, the Coordinator I was temporarily assigned to work out of class in an Analyst I classification to help the Office meet critical business needs due to an extended absence of the Elections Officer. In the Analyst I classification, the FTE can conduct investigation work and increased Charter transition-related work.

Contract Status:

N/A

Recruitment Status:

Completed.

Changes or Challenges:

N/A

Performance

Performance Discussion:

N/A

Performance Measure Name	Intended Results	Actual Results
no original intended results		

2023 Adopted Budget | Decision Package No. 13,147 - 1 FTE Archives and Records Management Co

Package Description:

The Auditor's Office requests $128,220 in on-going General Funds for a permanent, full-time equivalent Archives and Records Management Coordinator II position. The position is needed to meet the increasing demand from bureaus for guidance and assistance in managing their electronic records.

Position duties:
The primary responsibility of the coordinator position is to work with bureaus and offices to provide guidance and assistance with their records management issues, focusing in the near term helping them transition documents to the City's electronic records management system, known as TRIM. The coordinator will consult with offices, establish and coordinate project implementation plans, create classification schemas, provide end-user training, work on legacy records migrations, and provide customer support.

Background:
Though bureaus and offices work mostly with electronic records, their management has not kept up with recognized retention practices and requirements. Decentralized worksites and staff working remotely have magnified the usual challenges associated with sharing information, identifying official copies and managing duplicates, and simply accessing records needed for the job.

Archives and Records Management administers TRIM, which is a secure and reliable system. The pandemic prompted more interest by bureaus and offices in using TRIM to provide greater access, security, and management of their electronic records. Bureaus and offices that already use TRIM want expanded options; those who hadn't adopted TRIM prior to the pandemic see its value now.

Archives is challenged to keep up with the increasing demand. Responsibly managing the city's electronic records is required by law, vital to the efficient management of the City, and expected by the public.

Some examples of offices that recently adopted TRIM or expanded usage to manage City records include:
•Fire and Police Disability and Retirement: Used TRIM prior to 2020 but are in the last stages of managing all of their records in the system. Also provides public access to unrestricted records.
•Environmental Services: Manages all Industrial Stormwater and Pretreatment Industrial permits in TRIM. Integrated Planning division is preparing for full TRIM implementation.
•Personnel Records: Bureaus of Human Resources, Development Services, Transportation, Office of Management and Finance, and others use TRIM.

Service Impacts:

Delaying bureau requests for help in managing their electronic records increases the City's risk for lost or mismanaged records, increases the time bureaus spend responding to public records requests, and delays employees who need timely access to records.

Equity Impacts:

Many bureaus and offices that adopted TRIM for managing electronic records also use its features to provide public access to them. Delays in helping offices manage their records in TRIM also slows access to the community.

Appropriation Details

General Fund Discretionary	$53,851
General Fund Overhead	$74,369
Total Revenue	**$128,220**
Personnel	$128,220
Total Expense	**$128,220**
Full-Time Positions	1.00
Total FTE	**1.00**

Update Information

Status Date: 3/16/2023
DP Status: Partially Implement
Amount Spent: $40,777

Percent Complete 31.80%

Implementation Status:

This Archives and Records Management Coordinator II has been hired and began work in January 2023. With the addition of this position, the Archives Records and Management Division has increased its capacity to provide expert customer support to City employees on records management issues and assist with records management activities, including developing retention schedules and filing plans and surveying records.

Contract Status:

N/A

Recruitment Status:

Completed.

Changes or Challenges:

N/A

Performance

Performance Discussion:

N/A

Performance Measure Name	Intended Results	Actual Results
	no original intended results	