



To: PP&R Division Managers
From: Adena Long, Director
Cc: Claudio Campuzano, Finance, Property & Technology Manager
Jason Smith, Financial Planning & Analysis Manager
Date: November 5, 2020
Subject: Budget Development

OVERVIEW

This week, Portlanders chose to make a major investment in our parks and recreation system by passing a historic operating levy. This community decision comes at a critical time as we provide services during the COVID-19 pandemic and as we renew and redouble our commitment to equity and to becoming an anti-racist organization.

We've done a lot of work over the last two years to articulate the mismatch between community needs and our resources.

Over the next year, we will create a plan to optimize the resources the bureau receives, whether it is from the City's General Fund, the levy, or other funding sources. A priority for our work together is to center community voices – specifically our BIPOC and refugee and immigrant communities – to understand how we might redefine our services so cost is not a barrier for the public.

To ensure that a robust engagement process informs decision-making around the services provided by the levy, we are targeting the Fall 2021 Budget Monitoring Process to get Council approval for our FY 2020-21 detailed levy budget.

However, there are several urgent priorities that we need to advance in the near-term in order to be successful in the long-term and to deliver on promises made to the community for Summer 2021.

Between now and January, we are going to build a budget that addresses urgent priorities but otherwise remains stable so that we can focus on our core services and prepare for growth.

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Our work consists of two components:

- 1) We will create a **Supplemental Budget** to our FY 2020-21 Budget that reflects our urgent work for the rest of this fiscal year (February through June 30, 2021); and
- 2) We will create a **Requested Budget** that carries those efforts into our FY 2021-22 request.

Because they are intimately linked, we will develop these two budgets through a single process.

VALUES

As we build proposals, we will continue to rely on the values we have used in the last two budget cycles: **equity, maintenance, safety, and financial sustainability.**

We will center BIPOC and refugee and immigrant communities and will strive to ensure that cost is not a barrier to program participation.

PRIORITIES

The following are the priorities that we need to address in our budgets:

- Summer 2021 programming;
- Building a ramp for organizational infrastructure to support growth of the direct service delivery functions of the bureau; and
- Addressing potential critical failures in our operations.

Summer 2021

We promised voters that, if the measure passed, we would provide robust summer programming in 2021 to best meet community needs while complying with public health direction and best practices. Recreation Services (and other divisions, if applicable) will build a programming model and supporting budgets that meet these goals, our stated priorities, and our values.

Building a Ramp

The passage of the operating levy means that we must thoughtfully scale up bureau capacity. Before we accelerate into growing direct operations – where most of our investments will be made – we must build our organizational infrastructure to manage that growth. This is our ‘early action’ to set us up for success.

We will identify needs such as maintenance facilities and office space for staff, as well as vehicles and equipment; workforce support to hire and onboard a diverse workforce; finance support to manage a newly complex, multi-funded budget and the many more transactions that will flow through it; and levy planning support to establish the community oversight function and community centered decision-making.

Critical Failure Points

Portlanders have given us their vote of confidence. We must continue to build on that trust by acting swiftly to manage the imminent risks to our operations. We will consider proposals that address near-term risks that carry with them high consequences, such as life-safety protections for the public or the PP&R team.

Proposal Limitations

It is important that both our Supplemental Budget and Requested Budget, submitted in January, include requests that are clearly justified based on our priorities and promises to the community. To ensure that a robust engagement process informs decision-making around the services provided by the levy, we are targeting the Fall 2021 Budget Monitoring Process to get Council approval for our FY 2020-21 detailed levy budget.

BUDGET PROCESS

The process outlined below focuses our deliberations on the stated priorities, ensures that we defer as much decision-making about the use of levy funds until further community engagement and oversight functions are in place, and ensures that our efforts are coordinated, strategic, and have the support and input from our many important stakeholders.

Scoping: November 5 – 15

During the scoping phase, division managers should work with me to determine which priorities will be developed for further consideration.

As a bureau, we've done a lot of listening to community and staff. We need to remind ourselves of all that good work – theirs and ours – and integrate it into how we think about investments going forward.

I will want to know how proposals will respond to community and staff feedback, and how proposals will impact service levels and performance measures. You can review employee survey results from the links that were recently shared with you. We will have a report on our most recent community listening sessions in the next few weeks.

Division managers should set up time to present their ideas that tie to the priorities listed above and to hear from me on my priorities. Ideally, we could do this in our one-on-one meetings. Please invite Todd, Kenya, and Claudio as well.

Financial Planning & Analysis has provided the attached Decision Package Intake Form that gathers the most critical information needed for these meetings. Division managers should feel free to share additional supporting material, but I do not expect fully developed proposals during the scoping phase. The goal of these meetings is to develop a shared understanding of which priorities warrant further work.

At the end of the scoping period, I will identify those proposals I would like to see developed further.

Developing: November 16 – December 6

During the developing phase, division managers and their teams should work with Financial Planning & Analysis (FP&A) and may confer with Equity & Inclusion to develop detailed proposals.

FP&A has also provided the attached Decision Package Narrative Template that will capture the elements of each proposal that will be used for deliberating at SMT, sharing with stakeholders, and, if approved by the Commissioner-in-Charge,

included in the FY 2020-21 levy Supplemental Budget and FY 2021-22 Requested Budget submittal.

FP&A should be a partner in developing detailed budgets to ensure a consistent approach and accurate estimates across all divisions.

Please work with Brooke to schedule time on my calendar sufficient to cover your proposals. These meetings should include relevant division staff, the FP&A analyst and Jason Smith acting in support of the divisions, Todd Lofgren, Kenya Williams, and Claudio Campuzano.

The template is the minimum necessary for consistent presentation and discussion. Division managers are encouraged to present additional materials in any form that best articulates your thinking.

Deciding: December 7 – 21

During the deciding phase, SMT and the Budget Advisory Committee (BAC) will deliberate and provide advice to me. I expect you to bring your proposals to SMT so that we can clarify equity impacts, problem-solve proposals together, learn from each other, and, ultimately, make sure that we center equity in our work. I will then make final decisions on what to recommend to the Commissioner-in-Charge for inclusion in the Supplemental Budget for FY 2020-21 and the FY 2021-22 Requested Budget.

As recommended by the DEC Budget Subcommittee, I'll want to focus on documenting the 'why' of our decisions. Transparency on process is critical to building trust in our organization and in our community. The Commissioner-in-Charge will approve a final decision package list.

Process Oversight

As part of the Fall BMP process, I asked for our Finance, Property and Technology Manager, Claudio Campuzano, to meet regularly with the Diversity and Equity Committee's Budget Subcommittee to have a process-focused conversation. My goal was to convey the nature of our process so that we can be as transparent as possible about the decision-making approaches we are using. We received excellent feedback from that group on how we could be doing our work better. I

want to continue this valuable oversight and feedback function as we move forward.

BUDGET PROCESS CALENDAR

Nov. 5	Budget Development Memo to Division Managers
Nov. 6 -15	Scoping: Division Managers meet with Adena, Todd, Kenya, Claudio to discuss Supplemental Budget and Requested Budget priorities. <i>*Bring Decision Package Intake Form to share*</i>
Nov. 16 – Dec. 6	Developing: Division Managers develop budget proposals in partnership with FP&A. <i>*Use Decision Package Narrative Template to write up proposals*</i>
Nov. 16 – Dec. 6	Division Managers get final approval on budget proposals from Director Long Please set up a meeting to review your proposals These meetings should include relevant division staff, the FP&A analyst and Jason acting in support of the divisions, Todd, Kenya, and Claudio. <i>*Bring Decision Package Narrative Templates to review*</i>
Nov. 19	BAC #1 (Date to be confirmed)
Dec. 6	Division Managers send approved budget proposals to Claudio, your FP&A Liaison Analyst, Jason, and Nicola.
Dec. 8	Division Managers Budget Retreat
Dec. 16	BAC #2 (Date to be confirmed)
TBD	Proposals shared with Commissioner-in-Charge (Dates TBD)
Dec. 21	Budget Decisions Final
Jan. 4	Budget Narratives Due to Nicola
Jan.	Ordinance process for Interfund Loan, Fund Creation, FY 2020-21 Supplemental Budget