

## ATTACHMENT D –

### FY 2022-23 Adopted Budget Notes as Amended June 8, 2022

#### City Budget Office

##### **Funding Priority One-time Needs via Available Year End Balance**

In order to provide for essential and financially prudent allocations in a cost-effective way, the Budget Office is directed to make the following adjustments to General Fund discretionary ending balance during the year-end true up process in August and September of each fiscal year:

- 1) To ensure sufficient resources to cover the cost of transitions amongst Council seats, the Budget Office is directed to establish a policy set aside account for Council Transition Costs annually as part of the Fall Budget Monitoring Process. The budget office should consider the upcoming election process and deposit up to \$500,000 in available year-end General Fund discretionary excess balance into the account to ensure adequate funds will be available for any voter-approved transitions.
- 2) To support timely and adaptive response to Citywide emergencies, the Budget Office is directed to allocate year end General Fund discretionary excess balance towards a new Emergency Response Fund. This Fund will function as a revolving fund, providing a place for bureaus to quickly charge immediate expenses to in response to emergencies or crises. The Grants Management Division will seek reimbursement from state, federal, and local jurisdictions (including the Joint Office of Homeless Services) where appropriate and deposit those resources into the fund. The Budget Office should allocate resources to ensure up to \$1,000,000 is available in the Fund on an annual basis.
- 3) As part of the City's responsible planning for Portland Harbor Clean-up costs, the Budget Office is directed to allocate up to \$3,000,000 in annually available year-end General Fund discretionary excess balance to the Citywide Obligations Reserve Fund for Portland Harbor costs.

##### **Set Aside Returning TIF Resources from the Five-Year Financial Forecast**

This budget note directs the City Economist to set aside \$20 million in ongoing resources from expected returning Tax Increment Finance (TIF) revenues beginning in FY 2024-25 as part of the five-year financial forecast that will be issued in December 2022. The City Budget Office is directed to place \$8 million – or 25% of the total forecasted returning TIF resources as of February 2022 - in a policy set-aside for Portland Housing Bureau, and \$8 million – or 25% of the total forecasted returning TIF resources as of February 2022 – to Prosper Portland, and \$4 million for Portland Harbor remediation work.

Prior to any allocation of funding to Prosper Portland and the Housing Bureau in FY 2024-25, they are directed to engage in and complete a 3rd party evaluation of all TIF districts associated with expected returning TIF revenues in order for Council to better understand how outcomes aligned with the original intent of district creation. This study should incorporate census data, wherever possible, to understanding changing demographics in neighborhoods, and compare and contrast outcomes with other parts of the City that have experienced displacement and gentrification outside of a TIF district. This work should be completed by June 30, 2023 to inform FY 2024-25 budget development. Prosper and PHB are further directed to return to Council in the FY 2022-23 Fall BMP to request one-time resources for this evaluation if needed.

### **Prioritizing Portlanders' Safety in the City's Major Maintenance Investments**

In partnership with the Citywide Asset Management Group, the Budget Office is directed to provide the Council with language to amend City Financial Policy to ensure Portlanders' safety is considered and prioritized as part of the Capital Set Aside process. In addition, this work group should review the potential to either recommend policy changes to City Council for the eligible types (currently, Parks, Transportation and Emergency Preparedness) and uses, specifically to consider the development of new assets that promote Portlanders' safety.

### **Assessment of Programs in General Fund Overhead Cost Pool**

The City Budget Office is directed to conduct an assessment of programs currently within the General Fund Overhead Cost Pool for compliance with City overhead cost recovery policy as described in FIN 2.08.01 and FIN 2.08.02. Programs currently in the City's overhead bureau pool that do not meet the criteria defined in FIN 2.08.02 will be brought to City Council as requests for Current Appropriation Level (CAL) target adjustments in advance of the December forecast and CAL targets established by the City Economist for the FY 2023-24 Requested Budget.

### **City Budget Practices & Accounting Review for the Parks Operating Levy**

Voter approval of the 2020 Parks Operating Levy provided the City with an unprecedented opportunity to provide enhanced and stabilized parks and recreation services to Portlanders. Council is committed to supporting Portland Parks & Recreation's deployment of the 2020 Parks Operating Levy resources to maximize the value to voters in order to keep the commitment to voters that the Parks Levy would not be used to supplant General Fund. Moreover, Portland Parks & Recreation shall be allowed to carryover any FY 2021-22 General Fund account underspending in the FY 2022-23 Fall BMP. This will maximize the capacity of the Parks Levy to deliver *enhanced* services and eliminate barriers to access to programming. To the degree necessary, the City Budget Office and the City Controller will work together, with the support of PP&R staff to ensure that any relevant City policies and procedures are updated to reflect this intent. In addition, the City Budget Office, Comptroller, and Portland Parks & Recreation will provide a joint report to City Council by October 1, 2022 detailing lessons learned from this implementation and immediately after this report, come together to reach a shared resolution for the remaining years of the Levy.

## **Office of Community and Civic Life**

### **Cannabis Project Coordination**

Both the Office of Community and Civic Life and Prosper Portland provide programming and support for Cannabis businesses, with recreational cannabis funding going towards both bureaus in the FY 2022-23 budget. These bureaus are directed to develop a coordinated workplan, including support for Cannabis business programming and projects to ensure the City's overall effort is coordinated and effective while maximizing value for the Cannabis industry, in particular minority-led businesses.

## **Bureau of Development Services**

### **Prioritizing Neighborhood Inspections Funding**

As part of the FY 2021-22 Spring Budget Monitoring Process, the Bureau of Development Services received \$2.3 million in one-time General Fund support. The bureau is directed to internally prioritize support to continue current service levels for the neighborhood inspections program, utilizing these resources as necessary and appropriate.

## ATTACHMENT D -BUDGET NOTES

In addition, the bureau is directed to provide the Mayor and Council with an assessment of the ongoing funding needs for the neighborhood inspections program, as well as the tradeoffs and programmatic impacts of not providing additional discretionary resources to subsidize program operations. The information should be provided to the Mayor and Council by December 2022 so that the bureau may request resources in FY 2023-24 budget development as needed.

### Bureau of Emergency Communications

#### **Predicable and Planful Frontline Public Safety Staffing**

To help the City cohesively and collectively plan for and manage community safety staffing needs, the Portland Police Bureau and Portland Fire and Rescue are directed to construct and provide five-year staffing plans which detail current and projected sworn staffing levels as part of their FY 2023-24 budget submission and annual requested budget submissions thereafter. These plans should detail the bureau's assumptions around filling vacant positions as well as forecasted attrition or retirements by classification and should assume current funding levels. The plans may include an alternative staffing scenario that would require additional or requested resources. The Bureau of Emergency Communications is directed to provide a similar five-year plan for 911 call-takers and dispatchers as part of their FY 2023-24 requested budget as well as annual budget submissions thereafter. The five-year plan for the Bureau of Emergency Communications should explicitly state assumptions around the impact of 311 and other efforts to reduce workload for BOEC dispatchers.

#### **Increasing Emergency Call-taking staff**

The Bureau of Emergency Communications is directed to use current year under-spending to support hiring additional emergency dispatcher and quality assurance staff positions as they are able to fill them. During the FY 2022-23 Fall BMP, the bureau may keep that under-spending in the Emergency Communications Fund. BOEC should work with the City Budget Office to budget the under-spending in a newly created Emergency Communications Training Pipeline sub-fund.

### Bureau of Emergency Management

#### **Emergency Management Organizational Plan**

The Portland Bureau of Emergency Management shall develop and share with Council a new organizational plan to clearly delineate the bureau's mission and lines of business for support of city emergency planning and reliance efforts. In addition, this scope of work will delineate between services to City Bureaus as supported through overhead payments and separate out community centered services to come forward in the Fall Budget Monitoring Process for a CAL target adjustment.

### Office of Equity and Human Rights

#### **Title VI and ADA Title II Investigations**

The City has not uniformly resourced or named points of contact or expertise for Americans with Disabilities Act (ADA) Title II or Title VI compliance, a subject area which spans several bureaus. The Portland Police Bureau, the Office of Equity and Human Rights, and the Portland Bureau of Transportation each have separate decision packages in their respective FY 2022-23 Budget submissions which are currently included in the Proposed 2022-23. These efforts seek to address known liabilities in ADA compliance in effort to not open the City to further litigation which would benefit multiple bureaus and the City as a whole.

There is certainly a need for multiple bureaus to play a role in ensuring the City meets the needs of disabled Portlanders, but there is currently no clear citywide structure clearly defining respective roles and responsibilities of involved bureaus. Resources included in the FY 2022-23 Budget will address the immediate and near-term needs for the City. This budget note directs the Office of Equity and Human Rights to lead a coordinating role for the future, which includes an assessment for a recommended Citywide structure to ensuring enterprise-wide ADA Title II and Civil Rights Title VI compliance.

## Office of Management and Finance – Internal Service Funds

### **Adaptive internal customer services**

The Office of Management and Finance provides a suite of essential services to City bureaus. These services are funded by interagency service charges to bureaus, and the provision of effective services rely on stable funding streams from bureau customers. However, customer bureaus should also have the option of reducing their level of requested service if they no longer need or cannot afford the services. The Office of Management and Finance and the City Budget Office, in partnership with customer bureaus, are directed to propose changes to the City's Comprehensive Financial Management Procedure 2.08.04 which meets both the need for service provider funding predictability and the need for customer flexibility in requesting and paying for services. In addition, the divisions of Printing and Distribution and Procurement - Construction and Design should specifically propose near term options for service reduction or elimination in response to changes in customer demand. Interagency amounts are generally shared with customer bureaus throughout the fall in advance of the Requested Budget submissions to ensure there is adequate time to resolve issues early in the process.

## Office of Management and Finance – Bureau of Revenue and Financial Services

### **City Budget Practices & Accounting Review for the Parks Operating Levy**

Voter approval of the 2020 Parks Operating Levy provided the City with an unprecedented opportunity to provide enhanced and stabilized parks and recreation services to Portlanders. Council is committed to supporting Portland Parks & Recreation's deployment of the 2020 Parks Operating Levy resources to maximize the value to voters in order to keep the commitment to voters that the Parks Levy would not be used to supplant General Fund. Moreover, Portland Parks & Recreation shall be allowed to carryover any FY 2021-22 General Fund account underspending in the FY 2022-23 Fall BMP. This will maximize the capacity of the Parks Levy to deliver *enhanced* services and eliminate barriers to access to programming. To the degree necessary, the City Budget Office and the City Controller will work together, with the support of PP&R staff to ensure that any relevant City policies and procedures are updated to reflect this intent. In addition, the City Budget Office, Comptroller, and Portland Parks & Recreation will provide a joint report to City Council by October 1, 2022 detailing lessons learned from this implementation and immediately after this report, come together to reach a shared resolution for the remaining years of the Levy.

## Office of Management and Finance – Facilities

### **City Fleet Kerby Garage Relocation Proposal**

In response to a budget note in the FY 21-22 Adopted Budget, the Division of Asset Management (DAM) in the Office of Management and Finance (OMF) put forward a proposal to relocate CityFleet's Kerby Garage for Council's consideration in the FY 2022-23 budget process. The facility was originally constructed in the early 20th century and was not built to support modern fleet and equipment. Kerby lacks a modern fire and life safety system and an ability to accommodate ergonomically appropriate

## ATTACHMENT D -BUDGET NOTES

work equipment; has an outdated electrical system, a failing HVAC system, a failing roof, and is in a landslide zone.

In the FY 2022-23 budget process, OMF's proposal included a \$9,245,000 request in ongoing interagency resources from CityFleet customer bureaus to fund a real estate search, the purchase of land, and the build out the specialized facility designed for the City's fleet maintenance and repair needs. The proposal, as requested, assumed customer bureaus would realign their existing budgets to fund the \$9,245,000 ongoing increase in interagency costs for the next 20 years. While a critical need, the request to relocate Kerby Garage as proposed would require significant and sudden program reductions in several customer bureaus in order to fund the proposed plan. The Division of Asset Management is directed to continue their urgent work to bring to Council a more fully vetted and developed financing plan in tandem with an assessment of other priority asset needs.

### **Continued Support for Hygiene Stations**

The Impact Reduction Program is directed to allocate resources from the facilities fund to support the continuation of hygiene services for houseless individuals funded with federal American Rescue Plan Act (ARPA) resources in FY 2021-22.

## Office of Management and Finance – Bureau of Technology Services

### **Ongoing Funding for Business Intelligence / Data Visualization Services**

The FY 2022-23 budget includes a one-time offset for General Fund-supported bureau customers for the Business Intelligence and Data Visualization (BI/DV) platform. City Council and City bureaus recognize the value of making decisions using data. The one-time funding is intended to bridge the gap to sustainment for the ongoing maintenance and support of an enterprise investment in BI/DV. To ensure sustainability of this work in future years, Council directs the Bureau of Technology Services to request the ongoing resources in interagency rates as well as an ongoing offset for General Fund funded bureaus for Council to consider as part of the FY 2023-24 budget development process.

### **Equitable Charges for Audio/Visual Services**

The FY 2022-23 budget includes \$250,000 in one-time interagency resources to fund audio/visual (A/V) equipment and a limited term position to assist bureaus primarily in the downtown core area with complying with new guidelines and requirements for public meetings as the COVID-19 pandemic potentially wanes. The methodology Bureau of Technology Services (BTS) used to calculate what percentage each bureau pays is derived from the General Fund Overhead Model, which is used to support services that provide direct or indirect benefits for all bureaus and functions Citywide. This methodology does not take into account that some bureaus have less of a presence in the downtown area. As there are A/V needs elsewhere in the City, and there has historically been too much of an emphasis on the downtown core, resulting in a neglect of areas such as East Portland, BTS is directed to, over the course of next year, develop an IA funding model that is more equitable, taking into account the geographic footprint of the various City bureaus. In addition, the Office of Management and Finance is directed to engage with customer bureau stakeholders and the city's various communities in a wider discussion of how to meet the new hybrid meeting requirements as well as make it easier for community participation in the City's public meetings.

## Portland Police Bureau

### **Add-back of funding for officers realigned to civilian professional staff positions**

The fiscal year (FY) 2022-23 Budget includes the reallocation of 43.0 full-time equivalent (FTE) vacant Officer positions to support urgently needed non-sworn staffing needs including staffing related to ADA

## ATTACHMENT D -BUDGET NOTES

compliance, body worn camera program implementation, and recruitment support among other high priority needs. Due to current and projected officer vacancy levels, the bureau is not anticipated to need the resources for these positions in FY 2022-23. The Portland Police Bureau is directed to bring forward a budget proposal to add back the funding for the 43 positions once the number of funded officer vacancies drops below 40 in order to ensure rapid and seamless officer re-staffing to meet demand for services. The Bureau's future requested budget submissions will also adhere to policy direction for position management throughout the budget process in order to ensure FTE counts are accurate for all classifications in the bureau.

### **Predicable and Planful Frontline Public Safety Staffing**

To help the City cohesively and collectively plan for and manage community safety staffing needs, the Portland Police Bureau and Portland Fire and Rescue are directed to construct and provide five-year staffing plans which detail current and projected sworn staffing levels as part of their FY 2023-24 budget submission and annual requested budget submissions thereafter. These plans should detail the bureau's assumptions around filling vacant positions as well as forecasted attrition or retirements by classification and should assume current funding levels. The plans may include an alternative staffing scenario that would require additional or requested resources. The Bureau of Emergency Communications is directed to provide a similar five-year plan for 911 call-takers and dispatchers as part of their FY 2023-24 requested budget as well as annual budget submissions thereafter. The five-year plan for the Bureau of Emergency Communications should explicitly state assumptions around the impact of 311 and other efforts to reduce workload for BOEC dispatchers.

### **Portland Police Bureau Public Safety Support Specialist Program 3<sup>rd</sup> Party Program Evaluation**

The Portland Police Bureau is directed to engage in a third-party program evaluation similar to the one completed by Portland Street Response prior to Council authorizing any additional permanent positions in future budgets. Council has gained a wealth of knowledge from the program evaluation of Portland Street Response, which should serve as a best practice for studying new evolutions to our community safety system as they are being piloted and implemented. This evaluation should also consider expanded responsibilities of the positions beyond the work they are currently assigned. This initial evaluation should be completed and presented to Council by February 28, 2023 to inform FY 2023-24 budget development.

### **Portland Police Bureau Policy Creation in Response to Intelligence-Gathering and Surveillance Audit**

On April 6, 2022 the City Auditor published an audit, *Police Intelligence-Gathering and Surveillance: Better management needed to protect civil rights*. The audit found that PPB did not provide guidance for officers at protests about what information they could collect and that the Criminal Intelligence Unit did not limit access to its reports and kept them past their retention schedule. As noted in the audit:

Collecting information that involves Constitutionally protected speech comes with risks. Surveillance and intelligence-gathering without safeguards can:

- Stifle free speech and association;
- Create irrelevant information and harm innocent people;
- Generate of a sense of vulnerability;
- Allow for abuse; and,
- Make communities less safe.



## ATTACHMENT D -BUDGET NOTES

Therefore, PPB will consult and coordinate with BPS's Smart City PDX program and the Office of Equity and Human Rights on these surveillance privacy protections as part of Smart City PDX's citywide surveillance policy development. PPB is directed to return to Council by December 31, 2022 with a report describing progress on draft policies on surveillance privacy protections in that will respond to each of the following audit recommendations:

To improve the quality of information gathered and trust with Portlanders, the Police Commissioner and Chief should:

1. Adopt a directive related to investigating First Amendment activity that provides guidance for the appropriate collection of information to protect people's civil rights.
2. Create a procedure that limits access to sensitive information and promotes compliance with state law about collecting and maintaining political, religious, and social information that is not associated with criminal activity.
3. Adopt a technology directive that includes Council authorization of surveillance technology, advice from a privacy commission, and requirements for policies and reporting.
4. Add to the social media directive guidance for its use for investigations and a requirement to document the law enforcement purpose for searching individuals and groups.
5. Publish public reports on the Bureau's use of surveillance technology to ease the public's concerns about inappropriate intelligence-gathering and how devices are managed to prevent it.

## Portland Fire & Rescue

### **Portland Street Response Citywide 24/7 Expansion & Evaluation**

The fiscal year (FY) 2022-23 Budget includes full funding for Portland Street Response to operate Citywide, 24 hours per day and seven days a week. The \$12.5 million program is currently funded with a combination of ongoing General Fund, ongoing Recreational Cannabis Fund, and one-time federal American Rescue Plan Act (ARPA) resources that will sustain the currently proposed service levels for two years. This new program has significant potential to provide better service to Portlanders and alleviate call volume pressure on first responders. As the program expands, it should clearly define program goals at 6 months, 12 months, and 18 months following the Citywide 24/7 expansion and provide a brief report on findings at these key milestones to the Mayor and Council. These regular reports will help the program and the Council ensure they are able to adapt the pilot to maximize goal achievement and prepare for ongoing funding needs following the sunset of federal ARPA resources. As of April 2022, Portland Street Response data shows that the majority of its clients identify as houseless. In addition to receiving services on site, many individuals are being connected to follow-up referrals and support through the program's community health and peer support functions. To help ensure that the work of Portland Street Response and its clients are integrated into the larger local homeless services system, PSR is directed to utilize a system that is compatible with the Homeless Management Information System (HMIS) for client-level and service data. If the program requires additional funding to implement data integration, they may return to the Council and request needed resources at a future budget process.

### **Wildland Fire Coordinator**

The fiscal year (FY) 2022-23 Budget includes ongoing funding to support a Wildland Coordinator position within Portland Fire & Rescue. This position is expected to develop a deployable plan for action in the

## ATTACHMENT D -BUDGET NOTES

event of a wildland fire by Spring 2023 and pre-develop emergency declarations based upon potential emergency wildfire scenarios.

### **Predicable and Planful Frontline Public Safety Staffing**

To help the City cohesively and collectively plan for and manage community safety staffing needs, the Portland Police Bureau and Portland Fire and Rescue are directed to construct and provide five-year staffing plans which detail current and projected sworn staffing levels as part of their FY 2023-24 budget submission and annual requested budget submissions thereafter. These plans should detail the bureau's assumptions around filling vacant positions as well as forecasted attrition or retirements by classification and should assume current funding levels. The plans may include an alternative staffing scenario that would require additional or requested resources. The Bureau of Emergency Communications is directed to provide a similar five-year plan for 911 call-takers and dispatchers as part of their FY 2023-24 requested budget as well as annual budget submissions thereafter. The five-year plan for the Bureau of Emergency Communications should explicitly state assumptions around the impact of 311 and other efforts to reduce workload for BOEC dispatchers.

## Bureau of Planning & Sustainability

### **Residential Infill Project and Affordable Housing Evaluation**

In 2020, the City Council adopted changes to the zoning code allowing for residential infill to promote more housing options in Portland's neighborhoods. As development responds to these new rules, the Bureau of Planning and Sustainability is directed to provide annual reporting and evaluation on the impact these changes have had on the availability and cost of housing and specifically – as possible – information on the impact of naturally occurring affordable housing.

## Portland Parks & Recreation

### **City Budget Practices & Accounting Review for the Parks Operating Levy**

Voter approval of the 2020 Parks Operating Levy provided the City with an unprecedented opportunity to provide enhanced and stabilized parks and recreation services to Portlanders. Council is committed to supporting Portland Parks & Recreation's deployment of the 2020 Parks Operating Levy resources to maximize the value to voters in order to keep the commitment to voters that the Parks Levy would not be used to supplant General Fund. Moreover, Portland Parks & Recreation shall be allowed to carryover any FY 2021-22 General Fund account underspending in the FY 2022-23 Fall BMP. This will maximize the capacity of the Parks Levy to deliver *enhanced* services and eliminate barriers to access to programming. To the degree necessary, the City Budget Office and the City Controller will work together, with the support of PP&R staff to ensure that any relevant City policies and procedures are updated to reflect this intent. In addition, the City Budget Office, Comptroller, and Portland Parks & Recreation will provide a joint report to City Council by October 1, 2022 detailing lessons learned from this implementation and immediately after this report, come together to reach a shared resolution for the remaining years of the Levy.

## Prosper Portland

### **Old Town Chinatown one-time position and reporting**

In 2019, City Council approved a five-year action extension to the Old Town Chinatown Action Plan, which indicated a commitment from the Old Town Community Association to support the District manager position from FY 2021-22 through FY 2024-25. Due to the economic impacts of the COVID-19 pandemic, the City provided \$60,000 as bridge funding in FY 2021-22 and is including another year of one-time funding for the position in FY 2022-23. The funds are allocated with the understanding that the



## ATTACHMENT D -BUDGET NOTES

Old Town Community Association shall be responsible for fully supporting the position in future years as indicated in the Old Town Chinatown Action Plan. In addition, the Old Town Community Association should provide a report to the City on the activities and successes of the position and the association over the past three years by January 2023.

### **Cannabis Project Coordination**

Both the Office of Community and Civic Life and Prosper Portland provide programming and support for Cannabis businesses, with recreational cannabis funding going towards both bureaus in the FY 2022-23 budget. These bureaus are directed to develop a coordinated workplan, including support for Cannabis business programming and projects to ensure the City's overall effort is coordinated and effective while maximizing value for the Cannabis industry, in particular minority-led businesses.

## Special Appropriations & Joint Office of Homeless Services

### **Motel Shelter Reporting**

The Special Appropriations Fiscal Year (FY) 2022-23 Budget includes \$8.3 million in federal American Rescue Plan Act (ARPA) resources to continue the Motel Shelter Strategy as requested by the Joint Office of Homeless Services (Joint Office). In FY 2021-22, the City also allocated tranche 1 ARPA resources and one-time General Fund resources to the Joint Office to support enhanced sheltering. Before Special Appropriations allocates the resources to the County, the Joint Office should provide the Mayor and Council with a reconciliation of FY 2021-22 allocated resources towards sheltering efforts, including both City and non-City resources that have been budgeted and expended at year end including a reconciliation of any year-end unspent resources of both City and non-City funds. The Joint Office should also provide detailed information on what the \$8.3 million will support over the next two years.

### **Office of Violence Prevention transition planning**

The Office of Violence Prevention will realign program staff to the home organization unit of OMF-Community Safety Division until future determination for continuity of operations is agreed up between the Office of Violence and Prevention, Grants Management, and the CSD in advance of the FY 2023-24 Requested Budget submission.