

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Warren Jimenez	2. Telephone No. 503-823-5123	3. Bureau/Office/Dept. Parks & Recreation/Director's Office
4a. To be filed (hearing date): August 14, 2013	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/> </div>	5. Date Submitted to Commissioner's office and FPD Budget Analyst:
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input type="checkbox"/> Public involvement section completed

1) Legislation Title:

Amend contract with The Active Network (TAN), to add \$1,500,000 to provide a web hosted, integrated recreation software solution and to extend the term by five years (Ordinance; amend Contract No. 30000729)

2) Purpose of the Proposed Legislation:

The purpose of the proposed legislation is extend the contract with TAN by five years and move the recreation software from a city hosted client/server environment to an online hosted environment with ActiveNet.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

While the funding of the project is not dependent on additional revenues, it is reasonable to expect that the large improvements in online customer interface and marketing tools will generate some additional revenues.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)

PP&R currently incurs annual costs of up to \$100,000 for software licenses, nearly \$100,000 in BTS costs for servers and PCI compliance, and \$50,000 in extra front desk seasonal staff to answer phones during registration seasons. Nearly all of these costs will be replaced with a fees paid to ActiveNet for their hosting of these services. The costs for this new contract are projected to be just over \$250,000 annually, with a small increase as customers shift from in-person business to online. The five-year highest potential impact scenario is up to \$500,000 annually in fees, which would be offset with a minimal transaction fee that is passed onto the customer for online transactions only. In addition, it is anticipated that the project will require roughly \$100,000 in consulting, hardware and training costs as a one-time cost during conversion. Between both one-time conversion costs and a five-year forecast of probable fees based on other jurisdictions, it is projected with a high level of confidence that this contract will need to be roughly \$1,950,000 to cover the full five years payments, with the funding being existing general fund funding and revenues generated from programming.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No positions will be created from this project.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No positions will be created from this project.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
100	PKWC000028	529210	PRCYVSCS00	None	None	None	TBD

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☐ YES: Please proceed to Question #9.
☒ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

- a) What impacts are anticipated in the community from this proposed Council item?
- b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?
- c) How did public involvement shape the outcome of this Council item?
- d) Who designed and implemented the public involvement related to this Council item?
- e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

City of Portland CRM TrackIt records, public calls to Commissioner's Office and to PP&R Customer Service have resulted in a years of comments/complaints regarding account management, program registration and the lack of an ability to reserve a Park facility. A majority of the inefficiencies and gaps in service are in the account management area where the public is required to obtain login information from PP&R staff before they can register for a class or program. The ActiveNet product effectively addresses all of the public comments/complaints including giving the ability to self-manage their account information.

Jeff Shaffer/Parks & Recreation Finance Manager

APPROPRIATION UNIT HEAD (Typed name and signature)