

Office of Portland City Auditor

LaVonne Griffin-Valade

FY 2012 – 13 Requested Budget





CITY OF PORTLAND

Office of City Auditor LaVonne Griffin-Valade

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Date: January 30, 2012

To: Mayor Sam Adams

Commissioner Nick Fish Commissioner Amanda Fritz Commissioner Randy Leonard Commissioner Dan Saltzman

From: LaVonne Griffin-Valade, City Auditor

Re: FY 2012-13 Requested Budget

Attached is the Auditor's Office FY 2012-13 Requested Budget in the amount of \$55.2 million, of which \$9.47 million is for operations. The remaining \$45.7 million is made up of funds related to providing and financing various City assessments, a process that is managed and overseen by my office.

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The Auditor's Office FY 2012-13 Requested Budget includes three decision packages that detail mandatory reductions of my operating budget at the 4%, 6%, and 8% levels. These cuts total \$159,520, \$239,281, and \$319,041 respectively. Because Auditor's Office services are mandated in Charter or established in City Code, cuts to these programs weaken my ability to meet these obligations and to ensure open and accountable government. My bureaus's programs are small, vacancies are rare, and no easy options exist to trim or scale back on day-to-day operations. My Requested Budget seeks to maintain current service levels in all Charter mandated programs and minimize the effect of cuts primarily by progressively eliminating a position in the Ombudsman's Office and curtailing the External Materials and Services budget across all programs. Details of each cut package are provided below.

Reduction Package Options

4% Cut Package (\$159,520 total)

- At this cut level, the Deputy City Ombudsman position would be cut from full-time to half-time, leaving 1.5 FTE in the Ombudsman's Office. This cut will mean that fewer staff resources are available to respond to complaints from the public and City employees and our ability to enhance the profile and effectiveness of the Ombudsman's Office will be constrained. (\$48,444)
- External Materials and Services (EM&S) would be cut in each division, limiting spending on education and training, supplies, and repair and maintenance. These cuts will affect professional development and credential maintenance for staff as well as limit our ability to ensure the proper supplies and support for programs. (\$111,076)

6% Cut Package (\$239,281 total)

• This cut eliminates the Deputy City Ombudsman position, leaving 1 FTE in the Ombudsman's Office. This cut will significantly hamper the Ombudsman's ability to revitalize the program, will

- result in fewer complaints being investigated, and will leave the office with no back up or continuity in the event of an absence. (\$96,870)
- EM&S cuts at this level would be substantial and would significantly affect my bureau's ability to maintain its commitment to professional development and credential maintenance, contract for outside professional expertise, and purchase needed software and supplies. (\$142,411)

8% Cut Package (\$319,041 total)

- This package cuts the Deputy City Ombudsman position, as described in the 6% cut above. (\$96,870)
- This cut would also eliminate half of an Office Support Specialist II position in the Council Clerk/Contracts program. This would result in less timely response to requests from the public and City employees and leave the program lacking adequate coverage for critical functions such as Council agenda development and communication, disbursement of City checks, and preparation of Council minutes and documents. (\$31,200)
- This package would virtually eliminate the discretionary Professional Services budget in the Audit Services Division, halting our ability to contract out for professional subject matter expertise in support of audits. (\$41,568)
- EM&S cuts at this level would be significant across the bureau. Effects of such cuts are described in the cut packages above. (\$149,403)

Assessments-Related Funds

As the managing agency, the Auditor's Office oversees the administrative, financial and operational functions for the following funds:

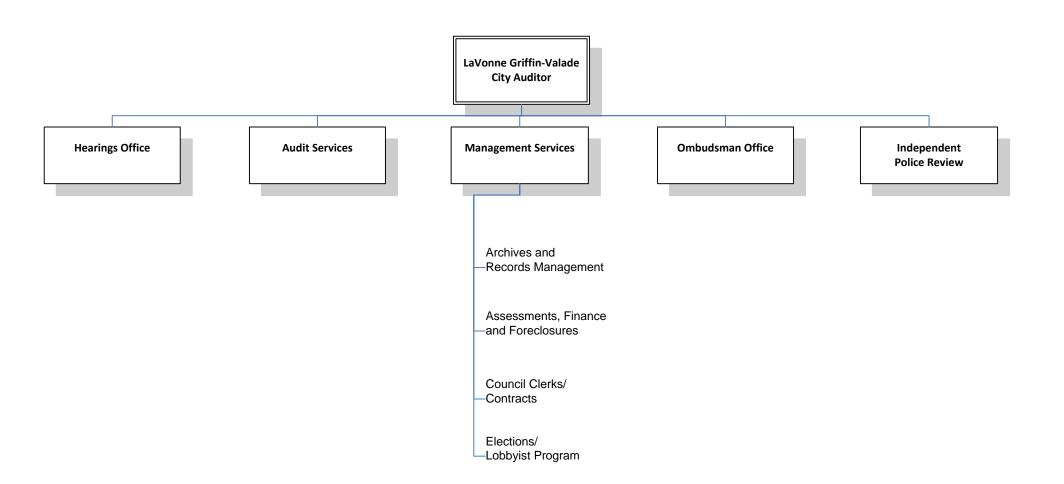
- LID Construction Fund, which has been used to help property owners fund many Citywide infrastructure improvements, including the Portland Streetcar, Lents District streets, the Portland Aerial Tram, and the Portland Mall Revitalization, to name a few. We work collaboratively with LID-sponsoring City bureaus to find efficient and creative solutions to the challenges of keeping LID projects viable and affordable to property owners. This fund also pays for assessments processing, lien billing and collection services, bond financing, and the Foreclosure Program. As administrator of this fund, the Auditor's Office will continue to analyze levels of service and cost of operations to find efficiencies and cost saving measures in the forthcoming fiscal year.
- The Bancroft Bond Interest and Sinking Fund is used to provide long-term financing to property owners for LID charges, various System Development Charges, and sidewalk repairs. We work with debt management on bond sales and structures and are responsible for determining additional bond calls, monitoring delinquencies, and evaluating potential risks and defaults to the fund.
- The Assessment Collection Fund is largely inactive at this time.

Concluding Remarks

First established in City Charter in 1868, the Auditor's Office assures the delivery of impartial services to City government and the public through independent performance audits, Hearings Officer decisions, contract approvals, elections, police accountability and oversight, Council agenda administration, complaint investigations, local improvement district assessments, foreclosure proceedings, maintenance of City archives, and paper and electronic records retention. Having the elected Auditor responsible for these multiple good government functions is unique to the City of Portland, and one more sign that the community and City government value transparency, fairness, and improving the efficiency and effectiveness of operations. One of my primary goals is to strengthen the Auditor's presence as the independent voice for accountability, good public stewardship, and deliberative decision-making. Budget cuts will challenge my ability to meet this goal, but I have attempted to target the cuts in such a way as to protect, as much as possible, the high level of service and effectiveness the public has come to expect of the Auditor's Office.

Office of the City Auditor

FY 2012-13



Office of the City Auditor

LaVonne Griffin-Valade

BUREAU SUMMARY

BUREAU MISSION

The mission of the City Auditor's Office is to ensure open and accountable government. This is accomplished by conducting independent and impartial reviews that promote efficient, effective, and equitable services and by providing access to City information.

BUREAU OVERVIEW

The elected City Auditor provides accountability for the use of public resources. City Charter requires the Auditor to be professionally certified and assigns the Auditor a variety of responsibilities, including conducting performance audits, administering City elections, maintaining all official records of the City, overseeing the Council agenda and meetings, and other accountability functions. City Code also authorizes the Auditor to provide civilian oversight of the Portland Police Bureau, impartial hearings of appeals of City decisions, and independent investigations of complaints.

The Assessments, Finance and Foreclosure program in the Auditor's Office also manages several large funds, totaling approximately \$45.7 million in FY 2012-13, which finance both large and small local improvement projects. These figures are displayed as part of the Auditor's Office budget; however, the requested operating budget for the Office in FY 2012-13 totals \$9.47 million.

STRATEGIC DIRECTION

Accountability

Portland has long been a leader in working for government accountability, largely through the efforts of the City Auditor's Office. The Auditor's role is to advocate for efficient service delivery to Portlanders, effective management of the City organization, and open and transparent processes. Accountability is a major focus of all bureau programs.

Responsive Government

Over the last three fiscal years, the Auditor's Office has undertaken several initiatives to improve services and promote a more responsive government. These include the following:

- The bureau's website continues to be streamlined and improved; recently, the Council Clerk page was revised to ease access to Council documents, decisions, and proceedings.
- The Auditor's police oversight authority was strengthened considerably.
- The new Portland Archives and Records Center was opened in a more central location and with more capacity to serve employees, researchers, and interested members of the public.
- The annual community survey was improved and revised.
- The Auditor's Office increased its capacity to conduct more frequent and comprehensive audits of the City's information technology systems.
- The Auditor launched a 24/7 tip line to allow anonymous reporting of concerns about possible employee misconduct to the City Ombudsman. The reporting system is open to the public and City employees.

FY 2012-13 Service Improvement Plan

Pilot Project – Assess distribution of services by neighborhood coalition: East Portland The Audit Services Division will undertake an assessment of the distribution of services in the East Portland neighborhood coalition. The Division will start with that coalition because of the low level of satisfaction that East Portland residents continue to express during the annual community survey. Also, City and community leaders recently began initiatives to address what have been identified as service inequities in the East Portland coalition.

The Auditor recognizes that other neighborhoods and coalitions have similar concerns about the delivery of City services. The methodology for the pilot project has yet to be determined, but to the extent that it is effective in clarifying any problem areas in the East Portland coalition, this initial assessment can be used as a template for future reviews of other coalitions.

Elevate the profile and increase the effectiveness of the Ombudsman function. City Code changes placed the Ombudsman function within the Auditor's Office in 2001 to ensure that complaints by the public and City employees were investigated impartially. Recent internal continuous improvement efforts identified the need to build community and Citywide awareness of the role of this function and to strengthen the Ombudsman's ability to effect positive change when appropriate. Mandatory budget cuts for FY 2012-13 will significantly impact the staffing level in this program. However, the Auditor has recognized that improvements to the program are needed to make it effective and has planned the following action steps within the staffing resources available:

- Targeted outreach in the community
- Regular training on ethics and fraud for City employees
- Regular reporting on the outcome of investigations
- Proactive outreach to City officials and employees
- More comprehensive annual reports, including media coverage

Focus efforts of the Foreclosure Program on egregious properties

City Code changes established the Foreclosure Program in the Auditor's Office in 2003 to ensure that delinquent liens were resolved by an impartial and professional body. Depending on available resources, the Auditor plans to continue current pre-foreclosure efforts, allowing eligible property owners to participate in individualized payment plans. The goal of this approach is to resolve liens, solve the problems that prompted those liens in the first place, and avoid forcing residents from their properties, particularly in cases involving low-income and/or disabled individuals and seniors on fixed incomes. As of December 31, 2011, these efforts had brought the City approximately \$7 million that might have previously gone unrealized, exceeding targets by 54%.

Although work on pre-foreclosure efforts to assist property owners in resolving their delinquent accounts will continue, the program will focus on initiating foreclosure proceedings against egregious properties and forward these properties to City Council for its decision to foreclose.

SUMMARY OF BUDGET DECISIONS

Reduction Packages

The Auditor's Office has prepared cut packages at the 4%, 6% and 8% levels. A combination of staffing reductions and cuts to the External Materials and Services (EM&S) budgets comprise each cut package, which have progressively greater impact on bureau services. The Auditor has endeavored to maintain current service levels to the extent possible, especially for those functions mandated by City Charter or experiencing heavy workload.

4% Cut Package (\$159,520)

- The Deputy City Ombudsman position would be cut from full-time to half-time, leaving 1.5 FTE in the Ombudsman's Office. There will be fewer staff resources available to respond to complaints from the public and City employees and efforts to enhance the profile and effectiveness of the Ombudsman's Office will be strained. (\$48,444)
- EM&S would be cut in each division, limiting spending on education and training, supplies, and repair and maintenance. These cuts will affect professional development and credential maintenance for staff as well as limiting the ability to properly equip and support bureau programs. (\$111,076)

6% Cut Package (\$239,281 total)

- Eliminates the Deputy City Ombudsman position, leaving 1 FTE and significantly hampering the Ombudsman's ability to revitalize the program. Fewer complaints will be investigated and the office will have no back up or continuity in the event of an absence. (\$96,870)
- EM&S cuts at this level would be substantial and significantly affect the bureau's ability to maintain its commitment to professional development and credential maintenance, contract for outside professional expertise, and purchase and support needed software and supplies. (\$142,411)

8% Cut Package (\$319,041 total)

- This package eliminates the full Deputy City Ombudsman position, as described in the 6% cut above (\$96,870) and cuts half an Office Support Specialist II position in the Council Clerk/Contracts program. The effect of this cut would be felt in less timely response to requests from the public and City employees. It leaves the program lacking adequate coverage for critical functions such as Council agenda development and communication, disbursement of City checks, and preparation of Council minutes. (\$31,200)
- This package make a large cut to the discretionary Professional Services budget in the Audit Services Division, halting its ability to contract out for professional subject matter expertise in support of audits. (\$41,568) Bureauwide, EM&S cuts at this level would be large. Effects of such cuts are described in the cut packages above. (\$149,403)

Audit Services

Description

The mission of the Audit Services Division is to promote honest, efficient, effective, and fully accountable City government. The division conducts independent audits that, in accordance with government auditing standards, provide objective information and recommendations to City elected officials, City managers, and the public.

Performance and financial audit reports identify savings and revenue enhancements, strengthen management controls, and improve the efficiency and effectiveness of City government operations. Since 1985, Audit Services has issued more than 190 audit reports and identified over \$18.1 million in measurable financial benefits to the City. Bureaus have implemented, or are in the process of implementing, almost 90% of audit report recommendations.

Goals

Audit Services supports the City goal of delivering efficient, effective, and accountable City services and the Auditor's Office goal of improving City accountability and performance by reporting its independent and impartial audit results and recommendations.

Performance

Audit Services issued 12 audit reports in FY 2010-11 to help improve the City's public accountability and to identify opportunities for increased efficiency and effectiveness. The goal for FY 2012-13 is 12 reports. In FY 2010-11, the cost per audit hour was \$99; the projected cost for FY 2012-13 is \$110. In FY 2010-11, City management implemented 94% of audit recommendations, exceeding the current goal of 85%. The goal for FY 2012-13 remains at 85%.

The percentage of recommendations implemented reflects their value to City management, as well as the real ability for management to make the suggested improvements. The measure of cost per audit hour shows the City's cost to provide an hour of audit time, which can be reviewed against other audit providers' costs as well as used in forecasting the total costs of an audit based on the estimated completion time. The number of audits issued is an important measurement of office activity and productivity and can be compared year-to-year, as well as measured against other offices and against the number of auditors on staff.

Changes to Services and Activities

The Auditor's Office has increased its capacity to conduct more frequent and comprehensive audits of the City's information technology systems. Audit Services ceased production of the annual Service Efforts and Accomplishments report in order to focus audit resources on producing performance audits with actionable recommendations to improve City efficiency and effectiveness.

Independent Police Review

Description

The Independent Police Review (IPR) division is an impartial oversight agency under the authority of the independently elected City Auditor. IPR was created to improve police accountability, promote higher standards of police services and increase public confidence. IPR receives

complaints, reviews and participates in ongoing police internal investigations, and monitors and reports on complaint status. It also has the authority to conduct joint or independent investigations when necessary. IPR participates as a voting member of the Police Review Board, which is the body that reviews allegations of police misconduct. The division hires outside experts to review officer-involved shootings and in-custody deaths. Staff in IPR provide assistance to the Citizen Review Committee, which reviews and rules on appeals of investigation findings and advises the Portland Police Bureau (PPB) on ways to improve practices.

Goals

The City Auditor's goal is to ensure that IPR carries out its civilian oversight responsibilities in a manner that is professional, unbiased, responsive, and fair. The work of IPR supports the City goal of delivering efficient, effective, and accountable services.

Performance

In FY 2010-11, IPR received 410 complaints; 420 complaints are projected for FY 2012-13. In FY 2010-11, the Auditor's annual community survey reported that 34% of respondents rated IPR's efforts to regulate police conduct as good or very good; the goal for FY 2012-13 is 40%. In FY 2010-2011, the median number of days to complete intake investigations was 27, and IPR has set a target of 20 days for FY 2012-13.

Changes to Services and Activities

IPR has fully implemented Council's 2010 revisions to its ordinance. The changes strengthened IPR's role in the oversight of PPB in three main areas: increased IPR's authority to conduct independent administrative investigations; strengthened IPR's role in administrative investigations undertaken by PPB; and revised PPB's disciplinary review board with provisions for a more transparent and balanced Police Review Board. The new and enhanced responsibilities have increased the workload of the Director and Assistant Director and the level of work is projected to continue into the future.

Office of the Ombudsman

Description

The Office of the Ombudsman is an independent, impartial office that receives complaints from the public and City employees about administrative acts of the City. The Ombudsman has the authority to investigate complaints to determine whether the City has acted fairly and reasonably. If a complaint is justified, the Ombudsman will work with the complainant and the bureau to find a fair and just solution and may issue a report recommending changes in policies or procedures to avoid subsequent problems. If a complaint is not justified, the Ombudsman will explain the reasoning and the implications to the complainant. This process protects City bureaus from unfounded criticism.

The Office of the Ombudsman plays a significant role in addressing public concerns, thus avoiding more costly conflicts. The Ombudsman is committed to ensuring government accountability through oversight, increasing trust in government, continuing outreach efforts to underrepresented members of the public, and investigating and managing reports received from the Auditor's Fraud Alert line.

Goals

The Office of the Ombudsman supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal of improving City accountability. By facilitating

communications between citizens and government and making recommendations to improve administrative practices and procedures, the Ombudsman seeks to promote responsiveness and quality in government.

Performance

The Office of the Ombudsman responds to more than 350 complaints and requests per year and expects that number to increase through additional outreach and enhanced reporting methods. The Ombudsman manages another 35 or so reports received through the Auditor's Fraud Alert line. In FY 2010-11, a survey of those who had used the Office of the Ombudsman services indicated that 93% of respondents were satisfied with the timeliness of the response to their complaint; the goal was 85%. In the spring of each year, the Office of the Ombudsman produces an annual report describing samples of cases and accomplishments.

Changes to Services and Activities

The Office of the Ombudsman has increased efforts at outreach, particularly to underrepresented or disenfranchised members of the community. The Ombudsman is also prioritizing complaints that may be indicative of a systemic problem.

City Recorder

Description

The City Recorder program consists of two divisions that develop and maintain accurate and objective documentation of City business and records. These are the Council Clerk/Contracts division and the Archives and Records Management Division.

Council Clerk/Contracts

As the administrator of Council sessions, the Council Clerk prepares the agenda, processes ordinances and resolutions, compiles official minutes, and provides easy access to these proceedings. The staff also produces the official versions of City Charter and Code, gives final approval of City contract documents, approves claims for payment against the City, and disburses payments.

Archives and Records Management

Archives and Records Management is responsible for records retention schedules, records storage and confidential destruction, preservation of historical records, and reference and retrieval services for the public and City employees at the Portland Archives and Records Center (PARC). The staff assists elected officials and bureaus in managing their public records legally and efficiently. They help bureaus to develop records retention schedules that meet bureau needs, and give guidance and instruction on public records issues. Archives and Records Management also administers the Efiles/TRIM electronic records management and retention system to ensure that the City's electronic records comply with retention regulations and are easily accessible.

Goals

This program supports the City goal of delivering efficient, effective, and accountable services and the bureau's goal of ensuring open and transparent Council deliberations.

Performance

In FY 2010-11, the program processed 164,467 checks/deposit advices; the target for FY 2012-13 is 162,000. In FY 2010-11, the direct cost to retrieve and deliver a record was \$6.03 per request; in FY 2012-13 the targeted cost is \$6.50. In FY 2010-11, the number of Efiles records viewed by the public was 336,820 and the projection for FY 2012-13 is 780,000.

Changes to Services and Activities

There are significant changes that directly affect workload of this program. City employee and public usage of services has more than doubled since the opening of PARC at Portland State University campus in May 2010. Continued efforts to deploy Effles/TRIM to additional bureaus Citywide has increased the workload in Archives and Records Management. The implementation of SAP has increased the workload in the Council Clerk/Contracts division – an increased level of work that is projected to continue.

Hearings Office

Description

The Hearings Office provides a forum for public hearings and renders objective decisions based on City Code on matters over which City Council grants it jurisdiction. The office provides appeal hearings for City bureaus, conducts hearings on certain types of land use applications, and hears cases pursuant to intergovernmental agreements with other governmental bodies such as Multnomah County, the Port of Portland and TriMet.

The Hearings Office hears cases initiated by a governmental body against a person or property and cases brought by parties who believe that a governmental determination is not legally or factually correct, offering a venue for the public to appeal where allowed by City Code. In all types of cases, the purpose of the Hearings Officer is to ensure the actions and determinations by the governmental body are legally supportable.

Goals

The office supports the City goal of delivering efficient, effective, and accountable municipal services and the bureau goal of improving City accountability and performance by reporting its independent and impartial reviews, findings, conclusions, and recommendations.

Performance

In FY 2010-11, the Hearings Officer determined 707 cases; the projection for FY 2012-13 is 900 cases. No land use cases were remanded by the Land Use Board of Appeals in FY 2010-11, and the Hearings Office has a goal of zero remanded cases for FY 2012-13.

Changes to Services and Activities

Land use, exclusion, and tow hearings have been increasing during the current fiscal year, a trend that needs to be monitored closely in order to ensure adequate staffing is available to meet legal requirements for this program.

Assessments, Finance and Foreclosure

Description

The Assessments, Finance and Foreclosure program assists the City in providing a wide range of services to property owners through special assessments. The program helps plan and finance local improvement projects, such as sewer and street improvements and sidewalk repairs. The program also assists with code enforcement efforts, such as nuisance abatements and demolitions, and assesses penalties and provides property owners with a variety of financing mechanisms to pay off their assessments. The program oversees the Local Improvement District (LID) Construction Fund, the Bancroft Bond Fund, and the Assessment Collection Fund. These funds, totaling approximately \$46 million, are included in the Auditor's Office budget.

The primary objective of the Foreclosure Program is to protect the interest of bondholders and taxpayers by recovering costs incurred by the City in providing services. The program staff works closely with the Bureaus of Transportation, Development Services, Environmental Services, Water, and Parks and Recreation in providing counseling and assistance to property owners regarding their assessments. Staff investigates and conducts research to see if individuals qualify for financial assistance, prepares individual payment plans, and contacts other agencies for assistance as needed.

Goals

The Assessments, Finance and Foreclosure program supports the City goal of improving the quality of life in neighborhoods and the bureau goal of providing accurate assessment recordings, financing, and information to protect the interest of City bureaus, bondholders, and taxpayers.

Performance

In FY 2010-11, this program conducted 1,241 new assessments; the projection for FY 2012-13 is 3,464. In FY 2010-11, there were 621 assessments per staff person; the projection for FY 2012-13 is 1,734 assessments per staff person.

Changes to Services and Activities

The Auditor's Office will be contracting for an analysis of options for the Lien Accounting System, which is in urgent need of replacement. After this analysis is conducted, we will develop a plan for its expeditious replacement.

The size of the LID Construction Fund budget is primarily driven by the number of construction projects in process and under consideration at any one time. It is anticipated that funding activity will increase in FY 2012-13 with the expected completion of the Portland Streetcar Loop Extension LID projects. In addition, significant budget changes can occur with the sale of special assessment bonds for the financing of large LID projects and the increased use of system development charges to pay for City infrastructure.

Administration & Support (Management Services)

Description

Administrative Support

The Management Services Division is the Auditor's executive office, providing leadership, accountability, and support for all activities of the City Auditor's Office. These functions include policy analysis, budgeting, accounting, human resources, payroll activities, purchasing, and information technology projects and systems. This division monitors problem-solving efforts throughout the office and serves as a contact point for other bureaus and offices in the City.

Direct Public Support

Management Services also provides direct support to members of the public. This division is responsible for managing elections processes for the City. It also administers the lobbyist program, registers lobbying entities, receives and publishes lobbying reports, and maintains the online reporting applications. Management Services administers and maintains the repository of the Portland Policy Documents. Staff members review documents that add, delete, and/or amend Citywide policies and makes them available on PortlandOnline. This division also administers and supports PortlandOnline for the bureau.

Goals

Management Services helps attain the City's goal of delivering efficient, effective, and accountable municipal services, as well as the bureau goal of providing leadership and accountability.

Performance

In FY 2010-11, administrative costs were 6.9% of the total office budget, meeting the goal of being under 10%. The FY 2012-13 target is 8%. In FY 2010-11, the Elections Officer processed 3 elections filings. Due to the May 2012 Primary Election, the projected number of filings is 39 for FY 2011-12. This number is expected to decrease again in FY 2012-13 because it is an off-cycle elections year.

Changes to Services and Activities

No major changes to services or activities are planned, although a number of factors continue to impact the workload of the division. These include a busy election season, elections-related support of the Charter Review Commission, preparation for the potential addition of an Independent Utility Commission, further implementation of SAP, and significant software-related projects.

Summary of Bureau Budget

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget
ce of the City Auditor					
Expenditures					
Unappropriated Fund Balance	20,942,440	0	12,140,639	13,089,106	13,089,106
Personal Services	4,721,831	4,733,285	4,939,032	5,215,048	5,086,960
External Materials and Services	1,174,951	1,556,185	1,941,029	1,728,093	1,537,140
Internal Materials and Services	3,320,208	3,683,774	3,863,561	3,929,836	3,929,836
Debt Service	32,591,810	14,847,700	11,529,179	24,047,181	24,047,181
Fund Transfers - Expense	27,240,619	10,738,227	17,531,122	3,402,496	3,402,496
Contingency	0	0	4,191,552	3,798,885	3,798,885
Total Expenditures	89,991,859	35,559,171	56,136,114	55,210,645	54,891,604
Resources					
Budgeted Beginning Fund Balance	21,679,738	0	16,023,109	16,490,806	16,490,806
Charges for Services	1,267,193	1,291,593	1,146,885	1,202,721	1,202,721
Interagency Revenue	795,300	774,353	858,204	927,681	927,681
Fund Transfers - Revenue	7,264	3,477	23,022	73	73
Bond and Note Proceeds	40,075,712	10,987,181	21,295,267	16,981,654	16,981,654
Miscellaneous Sources	19,506,947	11,022,502	8,706,456	11,497,611	11,497,611
General Fund Discretionary	3,356,404	0	4,345,970	3,988,010	3,668,969
General Fund Overhead	3,303,301	0	3,737,201	4,122,089	4,122,089
Total Resources	89,991,859	24,079,105	56,136,114	55,210,645	54,891,604

Summary of Program Budgets

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget
Office of the City Auditor					
Assessments & Improvements					
Assessments & Improvements	1,237,450	1,249,592	1,418,862	1,406,076	1,406,076
Total Assessments & Improvements	1,237,450	1,249,592	1,418,862	1,406,076	1,406,076
Administration & Support					
Business Services	276	0	0	0	0
Total Administration & Support	276	0	0	0	0
Housing Production & Preservation					
Rehabilitation	0	0	0	0	0
Total Housing Production & Preservation	0	0	0	0	0
Assessments, Finance & Foreclosure					
Assessments, Finance & Foreclosure	619,905	647,006	699,466	702,602	702,602
Total Assessments, Finance & Foreclosure	619,905	647,006	699,466	702,602	702,602
Administration & Support					
Administration & Support	567,501	567,818	679,089	766,986	714,101
Total Administration & Support	567,501	567,818	679,089	766,986	714,101
Audit Services					
Audit Services	1,531,195	1,466,839	1,785,854	1,789,622	1,723,054
CAFR Audit	300,649	336,570	373,522	373,522	373,522
PDC Audit	89,300	125,835	108,800	108,800	108,800
Single Audit	0	110,460	156,550	156,550	156,550
Total Audit Services	1,921,144	2,039,704	2,424,726	2,428,494	2,361,926
Campaign Finance					
Campaign Finance	203,931	20,109	0	0	0
Total Campaign Finance	203,931	20,109	0	0	0
City Recorder					

Summary of Program Budgets

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget
Office of the City Auditor					
City Recorder					
Council Clerk & Contracts	780,488	811,392	906,606	888,562	846,362
Archives & Records Management	2,003,215	2,275,912	2,436,111	2,491,904	2,473,404
Total City Recorder	2,783,703	3,087,303	3,342,717	3,380,466	3,319,766
Debt Management					
Debt Management	0	434,474	0	0	0
Total Debt Management	0	434,474	0	0	0
Hearings Office					
Hearings Office	526,474	488,009	627,685	627,485	608,485
Total Hearings Office	526,474	488,009	627,685	627,485	608,485
Independent Police Review					
Independent Police Review	1,066,847	1,172,204	1,246,548	1,265,997	1,256,497
Total Independent Police Review	1,066,847	1,172,204	1,246,548	1,265,997	1,256,497
Ombudsman Office					
Ombudsman Office	287,447	263,635	304,529	294,871	184,483
Total Ombudsman Office	287,447	263,635	304,529	294,871	184,483
Progress Board					
Progress Board	2,312	3,391	0	0	0
Total Progress Board	2,312	3,391	0	0	0
Total Programs	9,216,991	9,973,245	10,743,622	10,872,977	10,553,936

Office of the City Auditor

Performance Measures

		FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13
		Year-End	Year-End	Revised	Performance	
Performance Measure	Туре	Actuals	Actuals	Budget	No Dec Pkg	With Dec Pkg
AU_0001 - Number of reports issued (Audit Services)	WORKLOAD	9	12	12	12	12
AU_0002 - Percent of report recommendations implemented (Audit Services)	EFFECTIVE	89%	94%	85%	85%	85%
AU_0003 - Full cost per audit hour (Audit Services)	EFFICIENCY	\$98	\$99	\$110	\$110	\$110
AU_0004 - Number of citizen complaints (IPR)	WORKLOAD	389	410	420	420	420
AU_0008 - Number of checks/deposit advices processed	WORKLOAD	229,526	164,467	162,000	160,000	160,000
AU_0009 - Percent of requests provided within 24 hours (Archives)	EFFECTIVE	99%	98%	99%	99%	99%
AU_0010 - Direct cost per retrieval and delivery of record from Records Center	EFFICIENCY	\$5.98	\$6.03	\$6.50	\$6.50	\$6.50
AU_0013 - New liens assessed	WORKLOAD	2,543	1,241	1,392	3,464	3,464
AU_0016 - Number of complaints and requests (Ombudsman)	WORKLOAD	366	365	341	350	350
AU_0017 - Percentage of citizens who are satisfied or very satisfied with the service they received.(Ombudsman)	EFFECTIVE	75%	80%	84%	85%	85%
AU_0018 - Percentage of citizens who feel the office's response was timely (Ombudsman).	EFFICIENCY	93%	93%	94%	94%	94%
AU_0021 - Administrative costs: Goal is 10% or less of total budget	EFFICIENCY	7.3%	6.9%	7.0%	7.0%	7.0%
AU_0026 - Number of assessments per staff person	EFFICIENCY	1,272	621	696	1,734	1,734
AU_0030 - Number of Election Filings	WORKLOAD	17	3	39	3	3
AU_0031 - Number of code, appeal, land use, and tow cases	WORKLOAD	832	707	800	900	900
AU_0032 - Number of electronic documents viewed through Efiles	EFFECTIVE	270,802	336,820	505,000	780,000	780,000
AU_0033 - Median number of days to complete intake investigation: (IPR)	5 EFFICIENCY	0	27	24	20	20
AU_0034 - Percentage of residents rating IPR's regulation of Portland Police as good or very good	EFFECTIVE	0%	34%	33%	40%	40%

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Total FTE and Salary by Class Office of the City Auditor

	CY_REV	BUD {Rep}	V52_NO	_DP {Rep}	V52_TO	TAL {Rep}
Class Title	No.	Amount	No.	Amount	No.	Amount
30000434 Administrative Assistant	1.00	67,424	1.00	59,604	1.00	59,604
30000433 Administrative Specialist, Sr	1.00	58,749	1.00	61,161	1.00	61,161
30000545 Archivist & Records Center Supervisor	1.00	84,636	1.00	84,636	1.00	84,636
30000544 Archivist, Assistant	2.00	132,228	2.00	132,228	2.00	132,228
30000551 Audit Services, Director of	1.00	117,684	1.00	117,684	1.00	117,684
30000558 Auditor, Chief Deputy City	1.00	106,452	1.00	110,456	1.00	110,456
30000003 Auditor, City	1.00	103,524	1.00	103,524	1.00	103,524
30000448 Business Systems Analyst	1.00	71,664	1.00	74,598	1.00	74,598
30000546 Clerk to City Council	1.00	76,584	1.00	76,584	1.00	76,584
30000492 Community Outreach & Informtn Rep	2.00	143,036	2.00	145,232	2.00	145,232
30000553 Complaint Investigator	3.00	221,868	3.00	224,453	2.00	155,741
30000547 Council Support & Contracts Supervisor	1.00	84,636	1.00	84,636	1.00	84,636
30000568 Financial Analyst, Sr	1.00	84,636	1.00	84,636	1.00	84,636
30000552 Foreclosure Program Manager	1.00	84,636	1.00	84,636	1.00	84,636
30000028 Hearings Clerk	2.00	103,608	2.00	106,080	2.00	106,080
30000598 Hearings Officer	1.00	117,684	1.00	117,684	1.00	117,684
30000556 IPR Program Manager	1.00	114,774	1.00	117,684	1.00	117,684
30000555 IPR Program Manager, Assistant	1.00	92,328	1.00	93,453	1.00	93,453
30000451 Management Analyst	2.00	138,840	2.00	141,183	2.00	141,183
30000452 Management Analyst, Sr	1.00	84,636	1.00	84,636	1.00	84,636
30000450 Management Assistant	2.00	129,568	2.00	132,028	2.00	132,028
30000548 Management Auditor	3.00	222,480	3.00	226,653	3.00	226,653
30000550 Management Auditor, Principal	2.00	187,656	2.00	187,656	2.00	187,656
30000549 Management Auditor, Sr	4.00	306,396	4.00	315,190	4.00	315,190
30000012 Office Support Specialist II	3.00	128,988	3.00	131,868	2.50	111,624
30000013 Office Support Specialist III	2.00	103,800	2.00	103,800	2.00	103,800
30000554 Ombudsman, City	1.00	89,382	1.00	93,048	1.00	93,048
30000542 Records Center Assistant	2.00	91,794	2.00	94,255	2.00	94,255
30000543 Records Management Specialist	1.00	76,584	1.00	76,584	1.00	76,584
Total Full-Time Positions	46.00	\$3,426,275	46.00	\$3,465,870	44.50	\$3,376,914
30000553 Complaint Investigator	0.50	35,712	0.50	37,177	0.50	37,177
30000598 Hearings Officer	0.50	45,204	0.50	45,204	0.50	45,204
30000555 IPR Program Manager, Assistant	0.50	38,268	0.50	39,840	0.50	39,840
30000548 Management Auditor	0.90	34,200	0.90	35,370	0.90	35,370
30000549 Management Auditor, Sr	0.90	44,772	0.90	46,455	0.90	46,455
Total Part-Time Positions	3.30	\$198,156	3.30	\$204,046	3.30	\$204,046
Grand Total	49.30	\$3,624,431	49.30	\$3,669,916	47.80	\$3,580,960

Office of the City Auditor

LaVonne Griffin-Valade

FUND SECTION

FUND 401 OVERVIEW: LOCAL IMPROVEMENT DISTRICT CONSTRUCTION FUND

The Local Improvement District (LID) Construction Fund accounts for the activities of the Assessments, Finance and Foreclosure division of the Auditor's Office. The fund finances local infrastructure improvements. The Assessments, Finance and Foreclosure division records assessments for local improvements financed by the fund and also for sidewalk repairs, code enforcement violation fee revenue, and system development charges for Portland Parks & Recreation, the Bureau of Environmental Services, Portland Water Bureau, and the Portland Bureau of Transportation. The division provides property owners with a variety of financing mechanisms to pay off their assessments.

Managing Agency

Office of the City Auditor

Significant Changes From Prior Year

The size of the LID Construction Fund budget is primarily driven by the number of construction projects in process and under consideration at any one time. It is anticipated that significant budget changes will occur for the sale of special assessment bonds for the financing of the Portland Streetcar Loop Extension LID projects, which are expected to be completed in FY 2012-13.

FUND 311 OVERVIEW: BANCROFT BOND INTEREST AND SINKING FUND

The Bancroft Bond Interest and Sinking Fund is used to achieve a proper matching of revenues and expenditures related to financing public infrastructure improvements requested by property owners. Specifically, this fund accounts for resources, and the allocation thereof, to pay principal and interest on outstanding indebtedness related to financing these improvements.

Managing Agency

Office of the City Auditor

Significant Changes From Prior Year

None

FUND 201 OVERVIEW: ASSESSMENT COLLECTION FUND

The Assessment Collection Fund (ACF) is largely inactive, with a minimal number of accounting transactions being posted to the fund. The City Charter allows for replenishment of this fund by selling up to \$1.5 million in bonds. Those resources would then be used to pay off delinquent accounts in other funds. Collection activity on the delinquent liens, up to and including foreclosure, would then be handled by the ACF.

Managing Agency

Office of the City Auditor

Significant Changes From Prior Year

None

Summary of Fund Budget

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget	
ssessment Collection Fund						
Expenditures						
Unappropriated Fund Balance	79,842	0	0	77,535	77,535	
Internal Materials and Services	411	1,320	1,532	1,598	1,598	
Fund Transfers - Expense	153	38	41	0	0	
Contingency	0	0	78,320	0	0	
Total Expenditures	80,406	1,358	79,893	79,133	79,133	
Resources						
Budgeted Beginning Fund Balance	79,338	0	78,893	78,060	78,060	
Fund Transfers - Revenue	0	0	0	73	73	
Miscellaneous Sources	1,068	530	1,000	1,000	1,000	
Total Resources	80,406	530	79,893	79,133	79,133	
ancroft Bond Interest and Sinking Fund						
Expenditures						
Unappropriated Fund Balance	15,019,240	0	12,140,639	13,011,571	13,011,571	
Debt Service	7,038,650	9,910,580	7,338,193	7,299,992	7,299,992	
Fund Transfers - Expense	0	3,500,000	0	0	0	
Total Expenditures	22,057,890	13,410,580	19,478,832	20,311,563	20,311,563	
Resources						
Budgeted Beginning Fund Balance	13,961,657	0	11,217,983	12,254,134	12,254,134	
Bond and Note Proceeds	1,450	1,500,000	0	0	0	
Miscellaneous Sources	8,094,783	8,763,058	8,260,849	8,057,429	8,057,429	
Total Resources	22,057,890	10,263,058	19,478,832	20,311,563	20,311,563	

Summary of Fund Budget

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget	
osed - Campaign Finance Fund						
Expenditures						
Unappropriated Fund Balance	534,327	0	0	0	0	
External Materials and Services	143,745	109	0	0	0	
Internal Materials and Services	60,186	20,000	0	0	0	
Fund Transfers - Expense	552,753	525,787	0	0	0	
Total Expenditures	1,291,011	545,896	0	0	0	
Resources						
Budgeted Beginning Fund Balance	1,279,841	0	0	0	0	
Fund Transfers - Revenue	0	689	0	0	0	
Miscellaneous Sources	11,170	12,216	0	0	0	
Total Resources	1,291,011	12,905	0	0	0	
eneral Fund						
Expenditures						
Unappropriated Fund Balance	0	0	0	0	0	
Personal Services	4,721,831	4,733,285	4,939,032	5,215,048	5,086,960	
External Materials and Services	1,026,580	1,120,469	1,936,029	1,723,093	1,532,140	
Internal Materials and Services	2,022,922	2,414,358	2,449,699	2,528,760	2,528,760	
Total Expenditures	7,771,333	8,268,112	9,324,760	9,466,901	9,147,860	
Resources						
Charges for Services	309,872	423,403	373,385	423,621	423,621	
Interagency Revenue	795,300	774,353	858,204	927,681	927,681	
Fund Transfers - Revenue	0	0	0	0	0	
Miscellaneous Sources	6,456	14,384	10,000	5,500	5,500	

Summary of Fund Budget

	FY 2009-10 Year-End Actuals	FY 2010-11 Year-End Actuals	FY 2011-12 Revised Budget	FY 2012-13 Requested Without DP's	FY 2012-13 Requested Budget	
eneral Fund						
Resources						
General Fund Discretionary	3,356,404	0	4,345,970	3,988,010	3,668,969	
General Fund Overhead	3,303,301	0	3,737,201	4,122,089	4,122,089	
Total Resources	7,771,333	1,212,140	9,324,760	9,466,901	9,147,860	
cal Improvement District Construction Fund						
Expenditures						
Unappropriated Fund Balance	5,309,031	0	0	0	0	
External Materials and Services	4,626	435,607	5,000	5,000	5,000	
Internal Materials and Services	1,236,689	1,248,097	1,412,330	1,399,478	1,399,478	
Debt Service	25,553,160	4,937,120	4,190,986	16,747,189	16,747,189	
Fund Transfers - Expense	26,687,713	6,712,402	17,531,081	3,402,496	3,402,496	
Contingency	0	0	4,113,232	3,798,885	3,798,885	
Total Expenditures	58,791,219	13,333,226	27,252,629	25,353,048	25,353,048	
Resources						
Budgeted Beginning Fund Balance	6,358,902	0	4,726,233	4,158,612	4,158,612	
Charges for Services	957,321	868,190	773,500	779,100	779,100	
Fund Transfers - Revenue	7,264	2,788	23,022	0	0	
Bond and Note Proceeds	40,074,262	9,487,181	21,295,267	16,981,654	16,981,654	
Miscellaneous Sources	11,393,470	2,232,314	434,607	3,433,682	3,433,682	
Total Resources	58,791,219	12,590,472	27,252,629	25,353,048	25,353,048	

Decision Package Summary

Type: Reductions Bureau: Office of the City Auditor **Priority:** 01 Decision Package: AU_01 - Auditor 4% Cut Package (\$159,520) Program: City Auditor FY 2012-13 FY 2012-13 FY 2013-14 FY 2015-16 FY 2016-17 FY 2012-13 FY 2014-15 Requested Requested Requested **Estimated Estimated Estimated Estimated** 1 Time DP **Ongoing DP Total DP Budget** Budget Budget Budget **EXPENDITURES** Personal Services 0 0 0 0 0 0 (48,444)(48,444)External Materials and Services 0 (111,076)(111,076)0 0 0 0 0 **TOTAL EXPENDITURES** 0 (159,520)(159,520)0 0 0 0 0 **REVENUES General Fund Discretionary** 0 (159,520)(159,520)0 0 0 0 0 **TOTAL REVENUES** 0 (159,520)(159,520)0 0 0 0 0 FTE 0.00 -0.50 -0.500.00 0.00 0.00 0.00 0.00 **Full-Time Positions TOTAL FTE** 0.00 -0.50 0.00 0.00 0.00 0.00 0.00 -0.50

Description:

This package cuts the Deputy City Ombudsman position from full-time to half-time (-\$48,444), leaving 1.5 FTE in the Ombudsman's Office. It also cuts External Materials and Services (EM&S) in each division (-\$111,076). Primary EM&S cuts include education and travel, operating and office supplies, and repair and maintenance.

Expected Results:

The staffing reduction in the Ombudsman's Office will impact the level of service and response provided by the Ombudsman to complainants. Fewer staffing resources mean that response time will increase, the number of complaints that can be investigated will go down, and the ability to conduct in-depth investigations into systemic or widespread concerns will be lessened. Cuts to EM&S hinder the bureau's ability to maintain its commitment to professional development, performance improvement and maintenance of professional credentials, as well as the purchase and support needed software and supplies.

Decision Package Summary

Bureau: Office of the City Auditor

Priority: 02 Type: Reductions

Decision Package: AU_02 - Auditor 6% Cut (when added to 4% cut = \$239,281)

Program: City Auditor

	FY 2012-13 Requested 1 Time DP	FY 2012-13 Requested Ongoing DP	FY 2012-13 Requested Total DP	FY 2013-14 Estimated Budget	FY 2014-15 Estimated Budget	FY 2015-16 Estimated Budget	FY 2016-17 Estimated Budget	
EXPENDITURES							<u> </u>	
Personal Services	0	(48,444)	(48,444)	0	0	0	0	0
External Materials and Services	0	(31,317)	(31,317)	0	0	0	0	0
TOTAL EXPENDITURES	0	(79,761)	(79,761)	0	0	0	0	0
REVENUES								
General Fund Discretionary	0	(79,761)	(79,761)	0	0	0	0	0
TOTAL REVENUES	0	(79,761)	(79,761)	0	0	0	0	0
FTE								
Full-Time Positions	0.00	-0.50	-0.50	0.00	0.00	0.00	0.00	0.00
TOTAL FTE	0.00	-0.50	-0.50	0.00	0.00	0.00	0.00	0.00

Description:

The 6% cut level is achieved when this package is combined with the 4% package. The 6% cut package eliminates the Deputy Ombudsman position (-\$96,870) and cuts External Materials and Services in all divisions (-\$142,411). Primary EM&S cuts include education and travel, operating and office supplies, and repair and maintenance.

Expected Results:

The elimination of the Deputy Ombudsman position significantly affects the ability of the Ombudsman's Office to continue to provide responses to complainants. The Auditor has directed the new Ombudsman to revitalize and strengthen the Ombudsman function, and these efforts will be constrained with the loss of staff. EM&S cuts at this level are substantial and will affect the bureau's ability to maintain its commitment to continued professional development and credential maintenance, purchase and support needed software and supplies, and contract out for professional expertise if needed.

Decision Package Summary

Type: Reductions Bureau: Office of the City Auditor **Priority:** 03 Decision Package: AU_03 - Auditor 8% Cut (when added to 6% cut = \$319,041) Program: City Auditor FY 2016-17 FY 2012-13 FY 2012-13 FY 2012-13 FY 2013-14 FY 2014-15 FY 2015-16 Requested **Estimated Estimated Estimated** Requested Requested **Estimated** 1 Time DP Ongoing DP **Total DP Budget** Budget Budget **Budget EXPENDITURES** Personal Services 0 (31,200)(31,200)0 0 0 0 External Materials and Services 0 (48,560)(48,560)0 0 0 0 Λ **TOTAL EXPENDITURES** 0 (79,760)(79,760)0 0 0 0 0 **REVENUES General Fund Discretionary** 0 0 0 0 0 0 (79,760)(79,760)**TOTAL REVENUES** 0 (79,760)(79,760)0 0 0 0 0 FTE

Description:

TOTAL FTE

The 8% cut is achieved by adding this package to the 4% and 6% packages. The 8% cut eliminates 1.0 Deputy Ombudsman (-\$96,870), .5 Office Support Specialist II (-\$31,200) in the Council Clerk/Contracts division, and significantly reduces the discretionary professional services budget in Audit Services (-\$41,568). In addition, it makes large cuts to the bureau's External Materials and Services budget across all divisions (-\$149,403).

-0.50

-0.50

0.00

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0.00

0.00

-0.50

-0.50

Expected Results:

Full-Time Positions

The elimination of the Deputy Ombudsman position significantly affects the ability of the Ombudsman's Office to continue to provide responses to complainants. The Auditor has directed the new Ombudsman to revitalize and strengthen the Ombudsman function, and these efforts will be constrained with the loss of staff. The elimination of the staff in the Council Clerk/Contracts division will potentially mean less timely response to requests from the public and City employees, delays in the production of Council documents, and longer timeframes for preparing Council minutes. The elimination of professional services budget from Audit Services will affect its ability to contract out for expertise in support of audits. Other EM&S cuts at this level are substantial as well and will affect the bureau's ability to maintain its commitment to continued professional development and credential maintenance, purchase and support needed software and supplies, and contract out for professional services if needed.

Office of the City Auditor

Management Data

Commissioner in Charge: LaVonne Griffin-Valade

Bureau Director: LaVonne Griffin-Valade Website: http://www.portlandonline.com/auditor/

Percent Administration: 2.9% Percent M/W/ESB Contract \$: 0.0% Workforce Data
Minorities: 12.5%

Female: 62.5%

Non-Represented: 85.8%

Span of Control: 1 to 5.6 positions per supervisor

Management Layers: 1 to 3

Resource Summary

	FY 2011-12	FY 2012-13	FY 2012-13	FY 2012-13	FY 2012-13
	Adopted	Base	Reductions	Add Packages	Requested
GF Ongoing	\$4,345,970	\$3,988,010	\$319,041	\$0	\$3, 668,969
GF One-Time	0	0	0	0	0
GF Overhead	\$3,737,201	\$4,122,089	0	0	\$4,122,089
Other Revenues	\$48,052,943	\$47,100,546	0	0	\$47,100,546
Total Revenues	\$56,136,114	55,210,645	\$319,041	\$0	\$54,891,604
FTE	48.6	48.6	1.5	0.00	47.1

Bureau Overview and Significant Issues

The mission of the City Auditor's Office is to ensure open and accountable government. This is accomplished by conducting independent and impartial reviews that promote efficient, effective, and equitable services and by providing access to City information. The Auditor's role is to advocate for efficient service delivery to Portlanders, effective management of the City organization, and open and transparent processes. City Charter assigns the Auditor a variety of responsibilities, including conducting performance audits, supervising City elections, maintaining all official records of the City, overseeing the Council agenda and meetings, and other accountability functions. City Code also authorizes the Auditor to provide civilian oversight of the Portland Police Bureau; impartial hearings of appeals of City decisions; independent investigations of employee and community member complaints, and management of assessments, liens and foreclosures.

Fiscal constraints threaten to compromise the quality of services:

- 1) To maintain current pre-foreclosure efforts to assist property owners and actively pursue foreclosure of liens on egregious properties, additional staffing is needed on a limited basis to assist the Foreclosure Manager with the immediate increase in workload.
- 2) Records requests and new users have increased significantly since opening the Portland Archives and Records Center (PARC) at its Portland State University location. Despite the availability of more volunteers and interns, to realistically meet the increased workload volume while maintaining service levels and other PARC functions, another Assistant Archivist position is needed. Additionally, a funding model that allows for additional rollout and sustained support for the City's electronic records management solution (TRIM) is needed. Please see #1 below.
- 3) Cuts for FY 2012-13 in the Ombudsman Office will strain its ability to make needed improvements, provide timely responses to the public and employees, and fully investigate complaints.

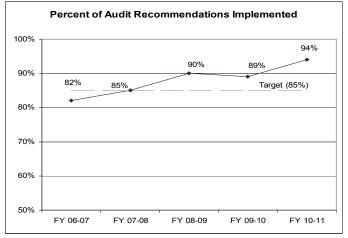
Ongoing efforts and projects:

- 1) The Auditor's Office has convened a multi-bureau TRIM Steering Committee to advise Archives and Records Management on a long-term plan for broader implementation of the TRIM electronic records management system. The goal is to achieve broader and more thorough compliance with records retention laws and regulations. This effort will likely have funding implications in future years.
- 2) Through the Independent Police Review Division (IPR), the Auditor is authorized to hire outside experts to review the closed investigations of officer-involved shootings and in-custody deaths. A report on the

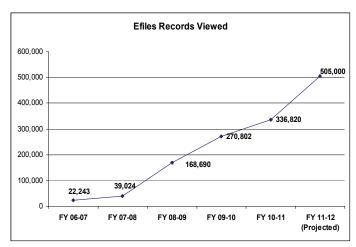
- next review of closed investigations is due out in FY 2012-13 and the Auditor plans an outside review in FY 2012-13 of recent changes to the City's system for civilian oversight of police.
- 3) The Audit Services Division recently began an audit of the City's solid waste and recycling program to assess the processes for setting solid waste collection rates and awarding residential hauler franchises. This report and several other significant audits will be issued in FY 2012-13.

PERFORMANCE DASHBOARD

The charts below highlight two key functions of Auditor's Office: providing recommendations through audits and deploying Efiles/TRIM.



In FY 2010-11, City management implemented 94% of audit recommendations, exceeding the current goal of 85%. The goal for FY 2012-13 remains at 85%.



The chart above demonstrates the increased used of Efiles, by both the public and city employees.

No divisions reported significant decreases in performance; however, due to the relocation to the new Portland Archives and Records Center (PARC) and associated facility cost increases, the Auditor's Office experienced an increase in cost per retrieval, increasing from \$5.98/record to \$6.03/record. The Auditor's Office projects a similar cost per retrieval in FY 2012-13. In FY 2012-13, the Auditor's Office projects a decrease in satisfaction and timeliness due to the reduction of a position in the Ombudsman Office.

Operating and Capital Requirements

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	FY 2013-14
	Actuals	Adopted	Base	Request	Estimate
Operating - Base	\$8,268,112	\$9,324,760	\$9,466,901	\$9,147,860	\$9,792,555
Debt Svc, Transfers, Contingency	\$27,291,059	\$34,670,715	\$32,654,638	\$32,654,638	\$32,654,638
Unappropriated Ending Balance	\$16,517,008	\$12,140,639	\$13,089,106	\$13,089,106	\$13,089,106
Total	\$52,076,179	\$56,136,114	\$55,210,645	\$54,891,604	\$55,536,299

Overview of Major Projects and Initiatives

Pilot Project – Assess distribution of services by City neighborhood coalition: East Portland. Auditors will assess the distribution of services in the East Portland neighborhood coalition to clarify service gaps with the secondary goal of developing a process for assessments of other coalitions.

Elevate the profile and increase the effectiveness of the Ombudsman function. Over the course of the next year, the Auditor's Office will work to build community and Citywide awareness of the Ombudsman function and strengthen the Ombudsman's ability to effect positive change in the City.

Focus efforts of the Foreclosure Program on egregious properties. Depending on the level of available resources for the Foreclosure Program, the Auditor will actively pursue foreclosure of liens on egregious properties while continuing many of the program's current pre-foreclosure efforts to work with delinquent property owners facing foreclosure by the City.

Program Summary Template City Bureau: <u>Auditor's Office</u>

1. Program Title		3. Staf	f (FTE)	4. Require	ements	5. Percent		6. Resource	ees				rogram nkings
Manager Phone #	2. Program Description	Regular	Limited	Operating	Capital	Admin	General Fund	Rates, Fees & IAs	Federal, State	Other	7. Output and Efficiency Measure(s)	Core	Com-
Audit Services Division Drummond Kahn, Manager 823-3536	Promotes transparent, efficient, effective, and fully accountable City government; conducts independent audits and analyses that provide objective information, strengthen management controls, improve the efficiency and effectiveness of operations, and identify savings.	12.1	Term	2,428,494		20	2,162,810	265,684	& Local		Percent of report recommendations implemented FY 2010-11 Actuals: 94% FY 2012-13 Target: 85% Number of reports issued FY 2010-11 Actuals: 12 FY 2012-13 Target: 12	1	munity
Management Services LaVonne Griffin-Valade, Auditor Sarah Landis, Chief Dep. Auditor 823-4078	Provides leadership, accountability, and support for all activities of the Auditor's Office. Manages City elections, lobbyist program, Portland Policy Documents, other functions that directly serve the public, and internal bureau administration, including the office budget and human resources	4.5		766,986		36	751,986	15,000			Percent of Administrative costs of total budget FY 2010-11 Actuals: 6.9% FY 2011-12 Target: 7.0% Number of election filings FY 2010-11 Actuals: 17 FY 2012-13 Target: 3	7	8
Independent Police Review Mary-Beth Baptista, Manager 823-0901	Improves police accountability to the public; provides opportunities for fair resolution of police complaints; identifies and analyzes problems; develops recommendations; works with the Citizen Review Committee; and participates on Police Review Boards.	9		1,265,997		20	1,265,997	-			Number of citizen complaint FY 2010-11 Actuals: 410 FY 2012-13 Target: 420 Percent of resident respondents who rate IPR's regulation of Portland Police as good or very good FY 2010-11 Actuals: 34% FY 2012-13 Target: 40%	4	3
City Recorder: Council Clerk/Contracts Sarah Landis, Supervisor Toni Anderson, Manager 823-4022	Develops and maintains objective documentation of City business; administers City Council sessions; gives final approval for all City contracts and all claims for payment against the City; and provides direct support to the public.	7.5		888,562		15	888,062	500			Number of checks/deposit advices processed FY 2010-11 Actuals: 164,467 FY 2012-13 Target: 160,000	2	. 2
City Recorder: Archives & Records Management Sarah Landis, Supervisor Diana Banning, Manager 865-4110	Responsible for records storage, confidential destruction of records, and preservation of historical records; provides reference and retrieval services for the public and City employees; provides specialized reference and research services; implementation of Efiles/TRIM for electronic records management.	7.0		2,491,904		15	2,486,904	5,000			Percent requests provided within 24 hours FY 2010-11 Actuals: 98% FY 2012-13 Target: 99% Number of electronic documents viewed through Efiles FY 2010-11 Actuals: 336,820 FY 2012-13 Target: 780,000	3	4
Assessment, Finance, & Foreclosures Sarah Landis, Supervisor Dan Schmidt, Manager 823-4097	Assists the City in providing a wide range of services to property owners through special assessments/liens placed on property; helps plan and finance local improvement projects; assists with code enforcement efforts; and assesses civil penalties.	3.0		702,602		20	-	702,602			New liens assessed FY 2010-11 Actuals: 1,241 FY 2012-13 Target: 3,464	8	7
Ombudsman Office Margie Sollinger, Manager 823-4503	Investigates the administrative acts of City agencies in an independent, objective, nonadversarial manner; investigates complaints from the public to determine whether the City has acted fairly and efficiently.	2.0		294,871		10	294,871				Percent of citizens who are satisfied with the service they received FY 2010-11 Actuals: 80% FY 2012-13 Target: 85% Number of complaints and requests FY 2010-11 Actuals: 365 FY 2012-13 Target: 350	5	6
Hearings Office Gregory Frank, Manager 823-7307	Provides a forum for public hearings and renders objective decisions on matters over which City Council grants it jurisdiction; provides a forum to allow the City and parties affected by bureau decisions to present evidence and argument in contested cases.	3.5		627,485		15	259,469	197,520	170,496		Percent of land use cases remanded by Land Use Board of Appeals (LUBA) FY 2010-11 Actuals: 0% FY 2012-13 Target: 0% Number of code, appeal, land use, and tow cases FY 2010-11 Actuals: 707 FY 2012-13 Target: 900	6	5
Fund Level Expenses	This line contains the total fund level expenses, which includes all debt service, cash transfers, contingency, and unappropriated fund balance.	NA	NA	45,743,744		NA		779,100		44,964,644			
Total		48.6	_	55,210,645			8,110,099	1,965,406	170,496	44,964,644			

1 of 1

Customer Service Improvement Status Report

Bureau: Office of the City Auditor

Staff Contact: Sarah Landis Phone: 503-823-4567 Date: January 23, 2012

Bureau Mission and Goals:

The mission of the City Auditor is to ensure open and accountable government. Many of the Auditor's duties are intended to improve the City's customer service by:

- Identifying ways to provide more timely or better public services (Audit Services)
- Resolving complaints about City services (Ombudsman)
- Investigating allegations of police misconduct (Independent Police Review)
- Offering an impartial avenue of appeal on City actions (Hearings Office)
- Providing complete and timely information on City Council proceedings (Council Clerk)

Customer Service Assessment:

There is no general Auditor's Office customer service survey, but two divisions survey customers. The Ombudsman Office solicits feedback from each complainant, and Audit Services surveys auditees after completing each audit. In addition, the Annual Community Survey, administered by the Audit Services division, provides information on community opinions about City services. In 2011, the Auditor's Office released "21st Annual Community Survey Results", the "2010 Ombudsman Report", and the "Independent Police Review's *Annual Report 2010"*.

Independent Police Review

The Annual Community Survey added a new question in 2010 that gauges the general opinion of IPR's effectiveness in monitoring the conduct of Portland police officers. This serves as a source of customer feedback. Favorable responses outnumbered non-favorable responses (33% to 21%). A large percentage of respondents marked 'neutral' (46%).

Office of the Ombudsman

The Office of the Ombudsman publishes a survey results section in its annual Ombudsman Report. Surveys are mailed to all complainants and an online version of the survey is available. In 2010, the Office of the Ombudsman received an overall positive satisfaction rating of 90%. In addition, 93% indicated that the Office responded in a timely manner. The Office of the Ombudsman initiated the Fraud Tip Line in 2010, which allows online or phone reporting of concerns and gives complainants a higher guarantee of confidentiality. The Office of the Ombudsman manages the contract and investigates the complaints received through this avenue.

Audit Services

Audit Services designed and implemented a survey of auditees beginning in 2009 to assess their perspective on the quality of the audit experience and to solicit feedback from bureaus after audits are completed. Auditees are asked to provide a service rating in response to these questions: 1) The audit team adequately explained the audit approach and scope; 2) The audit team maintained an adequate level of communication throughout the audit; 3) The conduct of the audit team was professional; 4) The recommendations in the report were reasonable and useful; 5) The draft report was provided to us, and we had an opportunity to provide input; 6) Overall, I

am satisfied with the audit process. Auditees are also asked to provide any other general comments.

Responses to the auditee questionnaire are generally positive, and the Division uses the results to better understand the perspective of audited bureaus. Since 2009, positive questionnaire results have, for example, validated Audit Services' process in explaining audit scope to audited bureaus (question 1) and provided assurance that our staff conducted themselves professionally (question 3). Audited bureaus generally found the audit recommendations useful. The Division will continue to use feedback from the auditee questionnaire to monitor its processes and auditee perspectives.

Workforce Development:

The Auditor's Office incorporates customer service into most aspects of its workforce development, including the recruitment/hiring process and ongoing performance reviews. Divisions such as IPR and the Office of the Ombudsman that interact with customers on a regular basis encourage employees to participate in any customer service-related trainings offered by the City. Additionally, the Auditor's Office asks questions that directly pertain to an applicant's experience in customer service when interviewing for a position. For example, applicants for recent vacancies were asked to provide specific examples of how she or he practiced high-quality customer service in past positions. Finally, Auditor's Office employees are asked to submit any suggestions on how to improve customer service during their annual performance reviews.

Recent Customer Service Survey and Results

21st Annual Community Survey Results (pp. 24, 52) http://www.portlandonline.com/auditor/index.cfm?c=53775&a=376731

2010 Ombudsman Report

http://www.portlandonline.com/auditor/index.cfm?c=26849&a=343501



CITY OF PORTLAND

Office of City Auditor LaVonne Griffin-Valade

1221 SW 4th Avenue, Room 140 Portland, OR 97204 phone: (503) 823-4078

web: www.portlandoregon.gov/auditor



MEMORANDUM

To: Office of Management and Finance

From: LaVonne Griffin-Valade, City Auditor

Date: January 30, 2012

Re: Five-Year Financial Plan

The attached five-year budget projections begin in FY 2012-13 and end in FY 2016-17. In determining the expenditure projections, an annual inflation factor of 4% has been assumed. In addition, the Financial Plan assumes cuts at the 6% level for FY 2012-13.

The following staffing projections are provided to meet workload demand and strategic direction:

- Restoration in year three of the Deputy Ombudsman position to accommodate anticipated increased workload as the Ombudsman program is strengthened.
- Increase .5 FTE Hearings Officer to accommodate growing workload.
- Additional staffing to support further rollout of the TRIM electronic records management system citywide. Please see below.
- One additional position to increase activity in our Foreclosure Program.
- Additional Assistant Archivist position to help manage workload changes brought on by the Archives and Records Center move to the new facility at PSU.

The Auditor's Office has recently convened a Steering Committee made up of representatives of multiple City bureaus to provide guidance on strategies and a funding model for Citywide rollout of the TRIM electronic records management system. The work of this committee is not yet complete and preferred funding and staffing models have not been determined. Therefore, the projection is a rough estimate of the software license, staffing and infrastructure needs over the next five years. We anticipate that these projections will change significantly as the Committee completes its analysis and makes recommendations. Estimates are included in the GFOH category, although this is not necessarily where revenue increases would occur.

There are additional potential staffing needs on the horizon that are not included in this projection. The Auditor's Office will conduct additional analysis of staffing and budget needs in the future and include any increases in subsequent year plans. Potential future staffing increases:

- Additional Independent Police Review division investigator to handle increased workload.
- One additional position in the Council Clerk/Contracts section to address increasing workload.

Summary of Five-Year Financial Plan

	Revised	Requested FY 2012-13 (with 6%	Projected	Projected	Projected	Projected
	FY 2011-12	cut)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
RESOURCES						
General Fund Discretionary	4,345,970	3,748,729	3,907,663	4,164,190	4,330,757	4,503,988
Miscellaneous	10,000	5,500	5,500	5,500	5,500	5,500
Intergovernmental	0	0	0	0	0	0
Interagency Revenues	858,204	927,681	1,008,333	1,048,666	1,090,613	1,134,238
Charges for Service	373,385	423,621	471,766	90,636	0 510,262	0 530,672
Overhead Recovery	3,737,201	4,122,089	4,399,293	5,479,514	0 5,079,185	0 5,292,571
TOTAL PEROUPOER	40 004 700	40.007.000	40 700 555	A 44 400 505	A 11.010.01 =	A 44 400 000
TOTAL RESOURCES	\$9,324,760	\$9,227,620	\$9,792,555	\$11,188,507	\$11,016,317	\$11,466,969
EXPENDITURES						
Personal Services	4,939,032	5,118,182	5,575,099	6,096,903	6,241,379	6,491,034
External Materials & Services	1,936,029	1,580,681	1,581,288	2,266,490	1,860,468	1,934,887
Internal Materials & Services	2,449,699	2,528,757	2,636,168	2,825,115	2,914,469	3,041,048
Total Bureau Requirements	9,324,760	9,227,620	9,792,555	11,188,507	11,016,317	11,466,969
Fund Requirements						
Total Expenditures	\$9,324,760	\$9,227,620	\$9,792,555	\$11,188,507	\$11,016,317	\$11,466,969
PROGRAMS						
Audit Services	2,424,726	2,403,492	2,437,012	2,534,492	2,635,872	2,741,307
Positions	12.00	12.00	12.00	12.00	12.00	12.00
Independent Police Review	1,246,548	1,256,497	1,306,757	1,359,027	1,413,388	1,469,924
Positions	9.00	9.00	9.00	9.00	9.00	9.00
Council Clerk/Contracts	860,310	877,562	912,664	949,171	987,138	1,026,623
Positions	7.50	7.50	7.50	7.50	7.50	7.50
Archives & Records Management	2,436,111	2,473,391	2,690,907	3,702,794	3,231,174	3,370,421
Positions	7.00	7.00	8.20	10.00	9.00	9.00
Hearings Office	627,685	610,485	696,774	724,645	753,631	783,776
Positions	3.50	3.50	4.00	4.00	4.00	4.00
Assessment, Finance & Foreclosure	699,466	702,602	808,706	841,054	874,696	909,684
Positions	3.00	3.00	4.00	4.00	4.00	4.00
Ombudsman Office	304,529	186,500	193,960	301,718	313,787	326,339
Positions	2.00	1.00	1.00	2.00	2.00	2.00
Management Services	725,385	717,091	745,775	775,606	806,630	838,895
Positions	4.50	4.50	4.50	4.50	4.50	4.50
Positions						
TOTAL PROGRAMS	\$9,324,760	\$9,227,620	\$9,792,555	\$11,188,507	\$11,016,317	\$11,466,969
Positions	48.50	47.50	50.20	53.00	52.00	52.00