

Budget Development and Decision Packages

OMF began its budget development work in the summer, due to preparing interagency rate information to customer bureaus in the fall. OMF bureau directors participated in OMF Advisory Committee meetings in September - December to brief the committee on services, trends and projects. After receiving Council direction, OMF submitted a budget with the required 1.5% reductions. Of the cuts, 16% produce direct savings to the General Fund and 84% reduce customer bureaus' interagency costs and rates. With add package requests, 87% of the requested funding is on behalf of customer bureaus and Council initiatives.

OMF Cut Packages Submitted for FY 2011-12	
Funding Type	Amount
General Fund - One-Time	(\$269,430)
General Fund - Ongoing	\$0
Interagency Pass-throughs	(\$63,945)
Interagency Rates	(\$951,924)
Total	(\$1,285,299)

The OMF Advisory Committee, which serves as the Budget Advisory Committee during the budget process, provided actionable feedback on decision packages. The Advisory Committee is comprised of representatives from bureaus, labor, and the community, and because of their feedback on initial planned decision packages, OMF was able to alter requested packages. In addition to input on specific packages, committee members were clear in their messages:

- Cut packages to BTS and EBS should be the first additions back into the OMF budget if Council decides not to take the full 1.5% cut; bureaus rely on these services and rely on technology to achieve efficiencies and service improvements.
- Review cuts taken in previous years that impacted Citywide service levels and consider restoring those services before adding new services.
- There are concerns about the timing and the budget impact of the larger packages that are recommended for interagency funding; bureaus have to absorb these increases within existing rates or appropriations.

OMF Mission and Values From newly adopted 2010-12 Strategic Plan

Mission

Managing the City's fiscal, human, physical and technological resources to deliver high quality services to the City and our community.

Values

We manage with a customer focus.

We strive for an effective balance between service provision and policy oversight. We support the core business needs of our customers, explain the nature of the services we provide, and solve problems. We want our customers to view us as trusted business partners.

We are stewards of public resources.

We use sound management practices in fulfilling the responsibilities entrusted to us by City Council, City bureaus and the public. We are committed to personal and organizational integrity and accountability.

We lead our operations from a strategic perspective.

We serve the City best through advance planning and anticipating issues. We develop and recommend solutions that serve both short-term and long-term City interests. We coordinate within OMF to bring better products and processes to our customers.

We value diversity.

We practice inclusiveness and respect the diverse talents of our workforce.

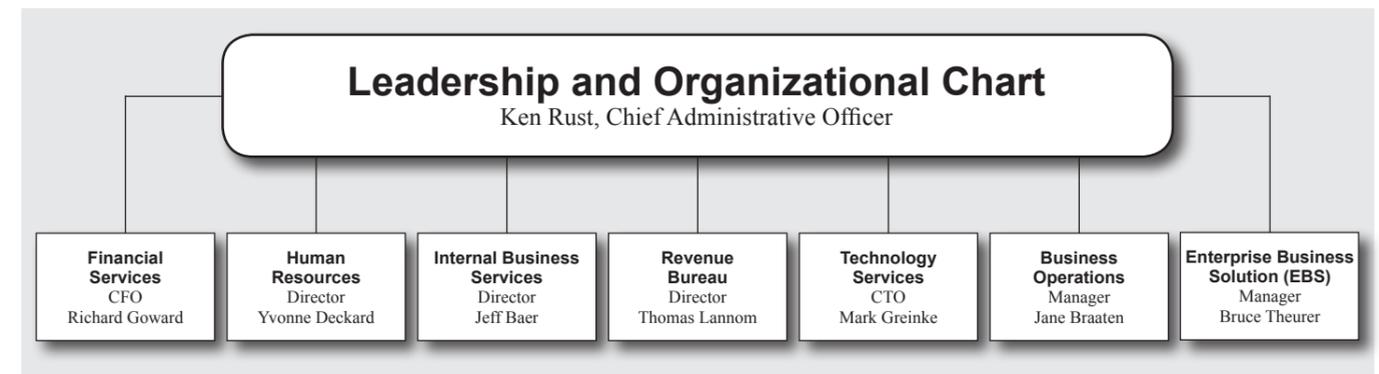
We promote sustainability.

We are committed to business practices that drive social, economic and environmental sustainability.

Office of Management & Finance



OMF Fiscal Year 2011-12 Budget Presentation - April 5, 2011



Goals and Initiatives

Ensure long-term financial health

Strengthen the City's financial position, maintain assets and plan prudently for the future.

- For 36 consecutive years, the City has maintained a **Aaa bond rating** (the highest possible rating). In addition, adherence to sound financial management policies resulted in a more stable financial outlook during challenging economic times.
- The City completed its **consolidated bargaining** approach for fiscal year 2010-11. The City's seven bargaining unit contracts were successfully negotiated.
- As directed by Council, OMF is developing a citizen-based **Technology Oversight Committee** to oversee the project and financial status of large-scale City technology projects.
- OMF is updating the City's **Comprehensive Financial Management Policies** and will work with bureaus and the Regional Arts and Culture Commission on a new policy for the City's Percent for Art program.
- The renovation of **PGE Park** for Major League Soccer will be complete in April 2011. A new 25-year operating agreement went into effect March 10, 2010.
- With funding secured by the Public Safety GO Bond, the **Public Safety Systems Revitalization Program (PSSRP)** will begin implementation to replace the City's 800 MHz analog radio system, which provides voice and data communications to field emergency personnel, with an updated digital system.

Enhance customer service

Continuously improve our communications and focus on helping customers achieve their goals.

- OMF completed its 2010 **customer service survey** and published a report comparing results from 2006 to 2010.
- The Bureau of **Human Resources rebranded** its mission statement, defined customer expectations and developed a new problem-solving model to be used by all staff.
- The Revenue Bureau created **online filing and pay options** for business license tax returns and related payments. This enhanced customer service, improved the accuracy of filed returns, and reduced the bureau's processing time.
- The City's **PDX Reporter** application allows the public to submit and monitor service requests related to potholes, plugged storm drains, graffiti, street lighting, and park maintenance issues using smart phones.
- Deferred compensation **plan fees were reduced**, along with improved investment and retirement planning services.

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Goals and Initiatives *Continued*

- Procurement Services is mid-way through a comprehensive **disparity study** to identify potential barriers in using minority-owned, woman-owned, and emerging small business (M/W/ESB) firms on public improvement and commercial development projects.
- BTS will commit technical resources to support the Bureau of Development Services' project to **automate plan reviews** and building inspections. Additional BTS projects include a technology refresh of PortlandOnline, network storage, online employee collaboration tools and WiFi connectivity for the City's facilities.
- The Business Operations Division developed **budget calendar tools**, quarterly planning checklists for managers and weekly email notifications to assist customers in tracking key budget deadlines.

Foster a knowledgeable and diverse workforce

Support an inclusive workplace and create opportunities for employees to grow and develop.

- OMF continues to implement **succession planning** efforts to proactively respond to the anticipated loss of key management and project staff in OMF bureaus and divisions.
- OMF bureaus host interns through the City's **summer youth employment program** and the Procurement Services Division provides overall project coordination services for this program.
- The Bureau of Human Resources is re-establishing a **Citywide training program**. In addition, the Bureau is restructuring the **Diversity Development/Affirmative Action** program by focusing on community outreach.
- The Bureau of Human Resources drafted a **Wellness Strategic Plan** for City Council adoption and is forming a City-wide Wellness Committee to focus on fostering a culture of wellness, increasing employee participation in wellness activities, and working toward health benchmarks.
- OMF provides **Citywide training** in effective supervision, performance management, and the financial, personnel and procurement processes used in SAP.

Continuously improve business processes

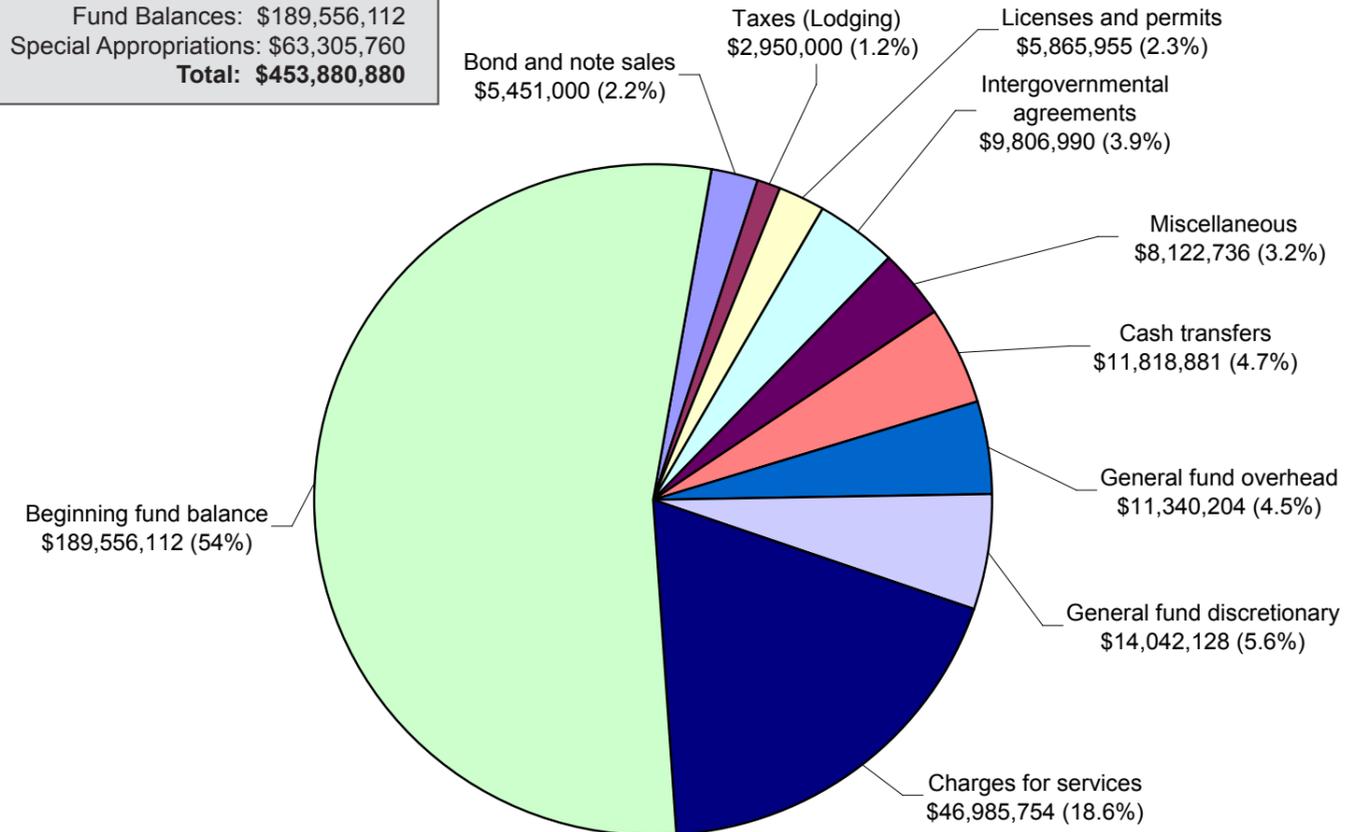
Initiate improvements, including those that implement better business practices, effectively use technologies, support sustainability efforts and create efficiencies.

- OMF completed its **strategic plan for 2010-12** with updated mission, values, goals, and action items that provide strategic direction to the organization. The plan's two year cycle allows for continued alignment with Council goals, Portland Plan focus areas, and other OMF bureau strategic and business plans.
- Financial Planning's **budget mapping** project provides maps of City revenues and expenses by geographic area to reflect where the City collects and spends resources and is contributing to a community discussion on equity.
- CityFleet's **sustainability initiatives** include: identifying replacement vehicles that meet stringent environmental criteria, expanding the use of electric vehicles and using clean energy fuel alternatives.
- Printing & Distribution continues to adapt to the changing **digital print** environment, including the use of full color and changing media such as microfiche, an initiative designed to reduce paper and toner usage.
- The Revenue Bureau developed automated systems to identify non-compliant businesses and implemented collection agency referral, which increased delinquent accounts **collections** and voluntary compliance.
- The Bureau of Human Resources is implementing an **electronic recruitment** software system called NEOGOV to create a streamlined online application process for the public and City staff.
- The Revenue Bureau led efforts for new City policies and regulations for the **horse-drawn carriage industry**.
- EBS initiated a series of discovery sessions with City staff as a means of gathering information about bureaus' current and desired future use of SAP functionality; the resulting **roadmap** will identify, prioritize and sequence the new functionalities to be adopted.
- Financial Services is streamlining its Comprehensive Annual Financial Report (CAFR) **production process** to improve timeliness; this report is a key document for regulators and investors.

How OMF is Funded

OMF Revenues

FY 2011-12 Base Budget Resources
 OMF Revenues: \$252,861,872
 Fund Balances: \$189,556,112
 Special Appropriations: \$63,305,760
Total: \$453,880,880



Significant Issues

Economic conditions

The sluggish recovery from the economic recession continues to present a dual challenge to OMF – it needs to provide a solid level of services within reduced resources, while at the same time working with City Council and operating bureaus to navigate the policy, project management and financial issues related to service delivery during a recession.

Effective use of new technologies

The City continues to look for innovative ways that new technologies can improve service delivery and create efficiencies. However, the investment and risk for these projects require that the City maintain policy oversight, solid project management methodology and a commitment to change business processes to make the most effective use of the technologies.

Customer service

Despite years of stagnant or declining resources, the demand for OMF services continues to grow from both City and internal customers. As City budgets tighten, other bureaus rely on OMF to streamline processes and provide more internal education on changes to business processes.

Workforce development

The impending retirement wave was delayed because of the economic recession but the City is still facing an eventual retirement wave and must maintain competitive training and employee development programs, employee benefits programs and effective recruitment strategies.