



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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February 9, 2001

MEMORANDUM

TO: All OMF Employees
City-Wide Human Resources Staff
City-Wide Information Technology Staff

FROM: Tim Grewe, Chief Administrative Officer

SUBJECT: Administrative Services Review Update

The Administrative Services Review project has continued to move forward with framework plans having been received earlier this month. This memo is to update you on critical next steps.

The ASR teams have accomplished a lot of hard work in a very short time frame. I have completed my review of each committee's proposed budget reductions received in December as well as the framework plans for human resources and information technology. I have sought input and feedback throughout the process from a variety of forums – the Mayor and Commissioners, the Executive Management Team, composed of the Directors of the larger bureaus, and many external advisors. Additionally, a lot of time, energy and effort have gone into the process by the corporate service managers, ASR team members and staff, and the Financial Planning team.

Council's original goals for the ASR project were to achieve a reduction in the cost of the City's administrative systems, eliminate redundancy, streamline systems and processes and provide greater accountability to Council. Given the fiscal challenges the City faces as a result of the current forecast, and the need to maximize lead time to implement the recommendations, it is prudent and in the City's best interests for me to recommend to Council that they move forward with implementation of ASR recommendations at the earliest possible date.

It is, therefore, my intent to present my recommendations to Council, via ordinance, at their February 14, 2001 session.

Although, all bureau managers are not in agreement on these recommendations, I feel that we need to move forward given the City's financial uncertainty and the pressures of the upcoming budget process. It is, therefore, my intent to present my recommendations to Council, via ordinance, at their

February 14, 2001 session. This ordinance, signed by a majority of Council members, will ask Council to confirm my specific reduction proposals by functional service area. The ordinance will also ask Council to approve a fundamental change in reporting relationships in the areas of human resources and information technology.

If Council approves this ordinance, all employees providing human resource services will begin reporting to the City's Human Resources Director effective March 1, 2001. All citywide information technology employees will begin reporting to the City's Information Technology Director on April 12, 2001. The Directors of these two organizations will be charged with the completion of detailed transition plans. I encourage you to provide all assistance possible to these individuals to ensure a successful transition toward a new model of service delivery.

If Council approves this ordinance, all employees providing human resource services will begin reporting to the City's Human Resources Director effective March 1, 2001. All citywide information technology employees will begin reporting to the city's Information Technology Director on April 12, 2001.

Until the completion of transition plans and service agreements, employees will reside at their current locations.

The Directors of Human Resources and Information Technology will be in communication with impacted employees to further lay out the next steps in this process.

The Bureau of Human Resources is filing a companion ordinance providing for an Employee Services Transition Plan, which gives the Human Resources Director authority to implement the Plan, or elements of the Plan in times of Council declared fiscal emergency. A copy of the ordinances will be available for review on the ASR web site (www.city/omfasrp) by Monday of next week.

In summary, when Council charged me with the Administrative Services Review, I understood that the process would not be without challenges and that to meet Council's objectives, difficult decisions would have to be made. At the same time, however, the process has fostered thoughtful, bold and strategic thinking about new ways of doing business more effectively and at reduced costs.

I know that there will likely be many questions generated as a result of the recommendations. We may be unable to answer many of your questions initially. Transition planning will obviously be key to a smooth implementation. I continue to believe in our ability to meet the challenges and to make a difference. Thank you for your continued commitment and support. We will continue to keep you updated as we move forward.