

--DRAFT--

Portland Utility Board Budget Subcommittee Meeting

December 20, 2018 11am – 1pm

Portland State University Smith Memorial Student Union Room 327
1825 SW Broadway

Attendees:

PUB Members:

Colleen Johnson
Micah Meskel (arrived at 12:30pm)
Mike Weedall
Ted Labbe
Vera Zaharova, ex-officio
Van Le, ex officio
Ana Brophy, ex officio

Absent:

* Allan Warman
* Heidi Bullock
* Dan Peterson
* Dory Robinson
* Robert Martineau
Lee Moore (unforeseen issues connecting by phone)

*Notice of absence provided prior to meeting

Staff:

Cecelia Huynh (Director of Finance and Support Services, Portland Water Bureau)
Ken Bartocci (Principal Financial Analyst, Bureau of Environmental Services)
Jonas Biery (Business Services Manager, Bureau of Environmental Services)
Michael Jordan, (Director, Bureau of Environmental Services)
Cristina Nieves (Representative, Commissioner Fritz's Office)
Jamie Dunphy (Representative, Commissioner Fish's Office)
Jessica Kinard (Interim Budget Director, City Budget Office)
Ryan Kinsella (Principal Financial Analyst, City Budget Office)
Alexandra Martin (Executive Assistant, City Budget Office)
Yung Ouyang (Senior Financial Analyst, City Budget Office)

Public:

Carol Cushman, League of Women Voters
Janice Thompson, Citizens' Utility Board

I. Call to Order of Budget Subcommittee Meeting

Colleen called the meeting to order. She noted the Board is convening as a PUB Budget Subcommittee. If quorum is reached, the full board meeting would open. The Board can't meet without a quorum but there are no quorum requirements for the subcommittee.

She reminded everyone that the meeting was of community volunteers tasked to advise City Council on items related to the Water Bureau and the Bureau of Environmental Services.

She gave an overview of the [agenda](#): it focused on an update from Jessica Kinard on staffing, BES Program Summaries, BES and PWB Program Changes, and program level discussion.

Colleen noted the sign-up sheet for public comment. She noted comments were limited to three minutes.

II. Disclosure of Communications

On December 10, Allan and Colleen met with BES and Water to talk about agenda development and discussed the need for a clear timeline to get materials. On December 10, they also met with Jessica Kinard to talk about staffing.

Ted spoke to BES staffers related to his nonprofit work with Depave. Discussions were related to development of a grant for Depave. He had other various interactions with BES staff.

There were no further disclosures.

III. Public Comment

Carol Cushman of the League of Women Voters said she appreciated being included in the survey invitation. In her comments on staffing she was not certain she gave effective answers and didn't take advantage of the comments. She said nothing about the role or roles are not important. She believes analysis is the most important part of staffing PUB. Some parts are more important than others and she said the role should focus on analysis; that is the major part of the role. She appreciated being included. She noted that the PUB was meeting as subcommittee and asked if they did proper noticing for the public meeting.

Colleen said they checked with Melissa.

Shedrick Wilkins said he supported drinking bottled water when in doubt of the safety of tap water. PPS students are offered bottled water in school. In the 1996 flood, the supply dipped into the Columbia River. Two years later his daughter got bladder cancer and is a cancer survivor. He wished Mayor Katz had issued a bottled water notice. In the past, President Truman spoke to Mayor-elect Paterson and urged completion of a secondary source at Bull Run. The federal government never wanted to people to drink Columbia River water. The shoreline has been cleaned up and there are no more leaks from Handover. The City was exclusively on Columbia well water for a year and some residue would be in infrastructure. In issues with schools and water the City should promote bottled water. In the situation with his daughter, he believes they should have used bottled water.

IV. Cryptosporidium Update

Colleen asked members to send questions about the cryptosporidium update to Alexandra.

V. Budget Office Update on Staffing

Jessica Kinard said when she came to PUB last month, she spoke about some of the challenges with finding Melissa's replacement in terms of timeline. The City is heading into a busy season with budgeting, HR is not known for their expediency, and the average time to fill a position is two to three months. She wanted to keep in mind the great work PUB does and take advantage of the good opportunity to do outreach. She wanted to consider if CBO should tweak the way they support PUB to provide more value and more benefit. She has met with both commissioner's offices, has met with members of Water and is meeting with BES. She noted the survey from Survey Monkey. That is an area where she is looking to capture a lot of feedback. She initially gave respondents one week. The initial results were helpful and interesting. The survey was sent to bureaus, council, and to PUB. Only four responses were from PUB members. She encouraged members to take a look at the survey which she would resend to PUB members. She appreciated Carol's feedback. She acknowledged the possibility for bias in survey data. She said the survey would not be the only criteria for next steps; she is in partnership with PUB and the chairs. Because of timeline to fill a permanent position, she prioritized staffing that will keep the administrative needs covered. A Coordinator I role will provide support to keep PUB going. She has been working with Human Resources on staffing and is in the final stages to offer the position to a woman who has worked for the City for several years. She will be starting next week. Chairs will meet with her the first week of January. This will be fulltime, dedicated administrative support. She noted the Coordinator series is supposed to do more self-guided work and be a liaison between bureaus. The second part of staffing is the analytical component. As PUB knows, CBO is also filling internal staff needs. Shannon Fairchild resigned, she was the analyst for BES. They are discussing options with chairs to fill the analytical side of the role. They do intend to provide the analytical support as well.

Colleen clarified that this is a temporary hire. She noted when they get to the point of hiring for the analyst they will have a hiring committee.

Jessica said yes.

Jessica said she and Ryan were available to help and people should reach out with questions or concerns.

VI. BES FY2019-20 Program Changes Overview, Jonas Biery, Business Services Manager, Bureau of Environmental Services, Ken Bartocci, Principal Financial Analyst, Bureau of Environmental Services

Colleen said the next agenda item is from BES. Last Friday, PUB received the first iteration of program narratives on forecasted changes to programs. BES has provided a second iteration; PUB members can read the new version at a later time.

Ken and Jonas said they wanted to give a few minutes to give updates on what has changed and use the bulk of their time to get feedback about narratives and budget decisions.

Jonas said he noted the chair's anxiety about getting through the budget process this year. There are big picture changes and the perspective is changing.

As he has worked with the budget software and developed the program offers, he feels more comfortable about what they will be able to produce. Technically entering information into the system is a hurdle. But they are on a path for consistency and stability. He is seeing the changes coalesce in budget development. They have identified where forecast is in line with expectations. One factor is accommodating biosolids in the Fall BMP. Even with that surprise they were able to keep the process moving. They are continuing on the long-term path towards sustainability. Ken will provide an update on the discrete changes.

Ken said they are looking at discretionary changes of \$1.8 million. Changes include \$350,000 one time increase to the Bureau of Planning and Sustainability interagency agreement.

The variables are settling down and they can load things into the system. The large PBOT interagency has no increase confirmed. The Multnomah County drainage district is in alignment with expectations. Lifetime replacement of vehicles are trueing up. They are working on smaller IAs with other bureaus. They do not expect to change the alignment of rate forecasts. They are refining numbers and will start entering them. They are experiencing challenges with the new budget software though it is showing signs of being an improvement over the previous software.

Jonas gave a reminder that the numbers change as they do technical entries. FTE is an example. It is loaded with a figure and the software calculates the actual position cost.

He flagged the EPA's new recommendation on the Portland Harbor. If they need to add contingency allocation in the budget they will need to do it now. They may see that addition. They current thinking is they will cover costs in the environmental remediation fund.

Colleen noted the \$2 million increase.

Ken said it is in discretionary and includes general fund overhead.

Jonas said this is the net and they are adding and reducing.

Jonas said some increases were a \$3 million plus increase last year in COLA, there were increases in interagency agreements. Last year the combined discretionary and nondiscretionary were around \$12 or 13 million.

Ken said it was \$12.5 million last year.

Jonas said nondiscretionary increased by \$2.5 million. The PERS adjustment is hitting every other year and this is a PERS year.

Most of increases are due to nondiscretionary. They will stay within the rate increase forecasted. There is \$3 million in operating expenses for biosolids.

Ken said together discretionary and nondiscretionary will be in the \$13 to 14 million range.

Colleen asked for a ballpark of last year.

Ken said \$17 million.

Ted said the auditor came out with an audit of BES restoration work in the Green Streets program. He said he would like to have someone talk to PUB. He said the report makes good points though it is somewhat superficial. He said there was \$5 million for the sustainable storm water program. He asked if that is what they are anticipating or if they are thinking there may be more with storm water planning.

Jonas said he was a half-step removed from the audit and that the bureau was already planning to implement the recommendations made in the audit. They did not modify anything because of audit.

Mike Jordan said many of the recommendations have to do with how they gather data. They were already investing in that issue. They are articulating outcomes when they do projects and are measuring to see if they achieved their goals. He said Jane can talk more about it. They already putting the programs in place. Aside from things in the budget they are enhancing storm water planning work. There is a combination of FTE changes and increases in contract amounts for that purpose.

Mike Weedall said last year they tapped into reserves. He asked what the thinking is as far as these increases and how to adjust.

Jonas said the strategy has not changed. They had a drop down for the current level, it ticked up, and they are working it down. Some parts will not be massaged down. Biosolids was an example and is something that was not on their radar. The reserve balance is used in out years and beyond to keep increases lower.

VII. BES FY2019-20 Program Summaries, Jonas Biery, Business Services Manager, Bureau of Environmental Services, Ken Bartocci, Principal Financial Analyst, Bureau of Environmental Services

Colleen suggested they go through the handout.

Jonas said they sent a mini version with a few sentences and some they had seen before. There is a mini description with current fiscal view and what changes at that line item. He highlighted the changes. They can expect another update in advance of January 8. They will offer whatever they have at that time as another point in time version. They may get another. Any feedback is helpful, including questions to vet and feedback to compel changes.

Jonas said it would be helpful to go out of order and start with wastewater and the watershed. He thought some would be more complex and some more simple.

He started on page 20. Program areas were defined by the prior budget software. Functional areas consistent with the organizational structure may not be very transparent. This is pretty close. For example, the program area engineering is not managed in the engineering group.

On page 20 he referenced the collection system program in the wastewater group. The backbone and core purpose are to collect wastewater and storm water citywide. It includes maintenance, collection, and treatment. The program includes operation of pipes and pump stations. It is a large program and not inexpensive.

Colleen asked why the fleet replacement for PBOT and CCTV was going down.

Jonas said within this program there is a large interagency with PBOT. The reduction in fleet is net changes in lifecycle.

CCTV is a one-time replacement they removed that budget request.

Jonas moved to maintenance. It is a smaller program with a handful of FTE. In FY 2018-19, the program is related to collection and treatment. They plan to coordinate management, treatment, and include condition assessment.

The next program is on page 22. Treatment includes operations and maintenance related to treatment. In terms of FTE it is the largest staffed program. About 100 FTEs are in the program and it has a very large budget. Tryon creek is one associated facility and the predominant one is Columbia Boulevard, which is a big complex in 24 hours operation.

Colleen asked about the distinction between operating and CIP in the program and if the Automation Team Supervisor was in CIP or operating.

Jonas said some is in CIP and some is in the operating budget.

Ken noted it doesn't tell which.

Colleen asked what the Automation Team Supervisor was in.

Jonas said he would make a note to get an answer in writing.

Jonas said in the wastewater function there was service and administrative support. Wastewater is different; it has a unique function of management and administration within the group. Business services deal with centralized bureau fleet maintenance, HR for the treatment plant, stores, which are equipment and materials manage through wastewater. It is a catchall for the general administrative function for each area.

Jonas said page 24 is related to the watershed function. The science, fish, and wildlife program focus on invasive and endangered species and manage related compliance. There are citywide conversations about furthering their efforts.

Colleen said it looks like the structure has levels. The watershed is a super program and under that program there are more discrete programs. There are four in watershed.

Jonas said that was a good way to think about it. Watershed is a legacy group. Jane Bacchieri can speak more to it. It includes scientific studies and sustainable storm water. It also includes the watershed revegetation program. The revegetation program is budgeted in that function though

it is not technically in the group. It is different in the budget and the organization. They want programs clean in future years and to tie organization to the program structure. Other examples of the issue are more discrete. There are little expenses in the wrong functional area. As they move forward they will talk about how to meaningfully align to those programs and consider if those are the right programs. Some are too small, and some are too big. They will have the discussion next year.

Van asked about the issue of CIP prep and if it was in the asset management group.

Jonas said a forthcoming change to look at the transition team and identify if some should move to different programs. It is an awkward year that is a snapshot of what exists.

Van said as they change tracking will be difficult and not useful. It will be hard to compare years.

Jonas agreed and said they are thinking about how to track.

Van said it will affect performance measures. For example, if there are two FTE in sustainability work, how will they track the amount and quality of the work if they are moved.

Jonas said it will make it difficult to make linear connections.

Van said there would be caveats to the measures.

Jonas said they are still figuring out performance metrics. They will look more closely next month in the context of budget. He was encouraged by the guidance of his deputy director and director. They are measures and they know there is a programmatic shift. They can intentionally identify what is happening, though it will be hard to isolate.

Van this also applies to Water. She asked if there was any thinking in terms of generic measures that would still be useful no matter what the organizational structure.

Jonas said outcomes will not change but the way they talk about them may be different.

Jonas moved to sustainable storm water. The program has 29-30 staff. It is what people traditionally think about as storm water. It includes the management of the storm water system plant, sororate management manual, which is a manual with building guidelines. The guidelines apply to transportation, storm water project implementation, and storm water collection on private property.

Colleen asked what PTE stands for.

Jonas said professional, technical, and expert services.

Jonas spoke about watershed services, which is the administrative function group managing and providing administrative support with vehicles included in the watershed services program.

Page 27 is the watershed management program. The team does direct work on the City's watershed. The eastside and westside are two different watershed regions. There are interaction and partnerships with other organizations.

The last one is within watershed. The revegetation program group does maintenance and vegetation planning or cleanup targeted at storm water efforts. It includes natural area revegetation. It is connected to the watershed function, operation and maintenance. Jonas flagged the last two lines which have increases in FTE and decreases in contracts. They have identified an efficiency in having work done in-house and managing it over the long term. He noted higher turnover. A change is due to a vast expansion of work. The line items are connected.

Jonas mentioned page one. Administration and support includes the director and deputy director offices. They are looking at strategy, innovation, and performance. One change is the implementation of the equity plan. The plan is included in this category. They will see a more in expanded version of the plan.

Bureau support is mostly within business services function. It is general bureau wide administration, HR functions, property management, telecom, vehicles, administration, contract functions, and engineering. The personnel interact with other bureaus, like Risk, OMF, and council. There are 20 staff and it is a big dollar amount. There is an interagency with Risk, Facilities, telecom, printing and distribution, bureau vehicles, and lease costs in Pioneer Tower.

Ana asked if the new procurement effort that will charge bureaus for services was in the program.

Ken said it was in the Fall BMP and it will be in this program.

Jonas said he is optimistic on the program as they are getting updates on implementation. He thinks they will get good results. They are hiring and getting processes in place. If they compare last year's adopted budget to the requested that change would be in the Fall BMP.

Jonas said communications includes the science education program. There is a connection to public involvement on capital projects.

The employee development program is \$37,000. It is a remnant and something they will clean up. They spend more than this on employee development. It is categorized within administrative services.

Finance reflects financial planning work in budgeting, rate making, forecasting, accounting, timekeeping, document processing, revenue programs, and billing issues. There are 17 FTE in the program. In the work with CBO, they removed debt service, which should not be a line item in the program. It will still have to be budgeted for but is not part of program. This is still a live discussion and the bureau would like not include the debt service here. It distracts from the program which is doing real work and it doesn't belong.

Jonas said information management is mapping, data, application services; all issues in technology with BES are centralized. They have an in-house application for mapping and GIS

functions. There is a large dollar amount associated with that. There are 20 staff and a large budget. There are also technology related contracts which are not consistent across the bureau. Sometimes the contracts are in bureau support. They have hired a data specialist to start to focus on optimal use of data, for example in storm water management.

Colleen noted the \$70,000 reduction in software.

Ken said it was due to removing redundant software.

Jonas said while it is a reduction it is an expected reduction. If there is an expected reduction in year two or three, the budgetary reduction doesn't change the forecast and it may be reduced earlier or later. It should not be an ongoing reduction.

Page seven is engineering in asset management. This is the group that does infrastructure asset work and systems analysis. There is an engineering focus on identifying solutions and resiliency.

The capital project management controls program is Steve Hansen's group that manages the CIP budget. It is consistent from 18-19. There are nine FTE doing CIP development. It includes prioritization, monitoring, adjusting work, training, and software. They use Heron to manage the capital projects and training of staff.

Page nine is construction services.

Colleen asked if the training position already exists and will become permanent.

Jonas said 19 FTE is requested throughout. They should think of it as 19 plus two. The two are community service aides; they are not fulltime FTE. If you count, there are 21. They noted in the packet the blue indicates fulltime FTE. Orange is one time.

Jonas said construction services does management of capital projects.

Design services is similar to construction. There is a large staffing group. Most costs are covered through the capital program. It is design work on capital projects bureau-wide.

The materials testing lab is a lab where they test real materials in construction.

Page 13 has development services. They work closely with permitting related to BES special permits and City permits. The development services program, is housed at the 1900 Building where the Bureau of Development Services is. Because of interactions with low-income issues low income it moved to the Director's office to facilitate the conversation city-wide. Historically it was in engineering.

Colleen asked about the increase in bank card fees.

Ken said they had not caught up with increases in the budget and did not realize they had not budgeted for the fees.

Colleen noted Public Works is an IA and money is transferred.

Jonas noted the bank card fee is in discretionary, but they don't have a choice.

Ana asked why there is an increase in overtime.

Jonas said it is related to overtime for represented employees.

Ana noted they contract much of the work to a testing lab.

Jonas said he will find the answer on what is driving the overtime increase.

The pollution prevention program is an example of a program area aligned with the organization structure.

The monitoring and investment program on page 14 does data collection and monitoring of circumstances and investigation of violations. The pollution control lab is in the program.

Colleen asked about the business system analyst position requested last year. At the last minute it was removed.

Jonas said it was related to environmental compliance and management of complex permitting. The position was included in the previous program. It is an administrative function.

The last three programs are put into one, Portland Harbor. There are three program areas. In the past it was advised to separate the dollars all underneath the Portland Harbor program. They describe three different areas and they are all closely connected.

Ana asked about Steve Hanson's project management office was.

Jonas said once it is developed formally they will decide where it should be.

Colleen suggested sending other questions to Alexandra.

Jonas said they want advice and he welcomed the opportunity to get feedback before they publish.

Colleen asked if the programs will eventually show the number of FTE.

Jonas said the data is not in the system and they won't have the context until the data is in the system.

VIII. PWB FY2019-20 Program Changes Overview, Cecelia Huynh, Director of Finance and Support Services, Portland Water Bureau

Cecelia said they have the same narrative in section one and two and have included where they are planning to make changes.

She said these are preliminary offers and there will be changes. They are having similar challenges to BES. They will have a table with the budget and FTEs. They have sent CBO a dozen emails about software problems. There are character limitations in the sections.

Ryan said there is guidance on the characters but not a limit.

Cecelia said she thought there were limits.

Cecelia said before she gets into the details she wanted to go through the process and what they are planning to do going forward. They heard some of the information last month. They welcome comments while they edit their offers, before they submit them in February. What they are thinking of doing next month is focusing on five of the programs and developing all the sections. They will not include capital changes or IA changes. There will be more narrative. There will be sections on equity and the program budget with the table. They will describe the resources, which is rates and charges for Water. They have the opportunity to describe the expenditures and FTEs. They are still working the in system to see how it looks. They will focus on five programs.

Cecelia started to go through the changes. There are not a lot. The goal is to not to add FTE. They had 17 approved this year they need to get all of them hired. They consulted the strategic business plan and considered the new budget format and decided to not add FTEs.

The first program is equipment to monitor the dam. \$150,000 was added to maintenance around power lines. Historically a property management plan was part of the forest service land change.

For groundwater infrastructure, the equipment is getting old. There is more in maintenance and repair. They are increasing the budget \$150,000 and doing replacement and repairs.

The treatment program has an increased budget of \$85,000 for increasing chemical costs.

Conduit has no changes.

The next program will have some narrative around capital programs added.

Field support has no changes.

Cecelia explained what they consider discrete. External expenses they can budget for. The IAs they got last week. For the most part, there are not a whole lot of changes.

For fountains, they are in discussions if they will pay Parks for maintaining fountains.

Hydrants has no changes; they will continue to replace and repair.

There are no changes to the meter replacement program.

Colleen asked a question on meters and customer service. She said there was a change to take two customer service representative positions from customer service and put in them in meter

technicians. This year's budget spoke about last year's request to add two program specialists in the customer service program.

Cecelia clarified that it was the low-income program.

Colleen said yes, they were put in the low-income group. They were meant to take calls away from the main call center. The transfer didn't happen last year; they got two program specialists and now they are reallocating customer service staff to meters. Is there a reduction in workload for customer service?

Cecelia said it was not as result of low income call staff; that program was just put in place. They continuously reevaluate staffing and allocations. The customer service staff work on getting billing set up. In an effort related to PCI compliance they eliminated two limited term positions as well. Calls are coming in for setting up automatic payments. They are going through that effort and it is a lot of work as more people doing automatic payments. There is a reduction in staffing on answering calls. There were efficiencies found. Now there is a greater need to repair and main meters. What they try to do is find a need and what they can afford to reallocate. Efficiency is gained in not asking for new positions.

Colleen asked what caused it given the conversation last year about shifting things around.

Cecelia sad she didn't know the answer but that it may be that more people are doing auto pay.

Van noted part of the conversation was on cross training. For the low-income call staff there was a cultural linguistic component and skills beyond the current subset. It wasn't possible to cross train the staff.

Colleen said it is the same logic for the meters programs, those answering phones and doing meter service have different job skills.

Cecelia said they are just taking positions the positions and reallocating them.

Colleen said she would like Cecelia to ask Kathy for more detail.

Cecelia said for pumps and tanks, the pump stations have a year over lap before they took the old one offline.

Service program is maintaining service lines to customer meters. There are no changes expected.

In valves, tanks, and regulations they will need to increase budget in regulatory compliance. They expect they will have to pay a higher fee to Oregon health auth. In habitat conservation they are reducing staffing by four.

In security they added one FTE to Interstate.

Grounds had no changes.

Bureau support includes the public information group, there will be changes in other sections. There is a retirement soon and they will have staff overlap.

Communications and outreach added one FTE. For the citywide website replacement, they anticipate hiring a consultant.

Cecelia said they are still working on risk mitigation. They are seeing what is required for next year.

Data management has no changes.

Employee investment has no changes.

In Safety, positions were added.

Planning requested \$200,000 in consulting to look at wholesale customer contracts. In 2021, wholesale cost has the opportunity to get out of the system or have a new contract. They want to have a consultant look at the contracts to start the effort.

Mike said at the billing ARC he saw a case about a University of Portland meter that was cross registered with another apartment. The people living in one apartment had their neighbor's bill. Well after the people left the apartment, Water discovered the mistake and tried to get the fee from the customer. The customer was appealing Water's mistake. The panel agreed it was Water's mistake and the customer should not have to pay the bill. Mike asked Cecelia to ask Kathy about the policy. The customer was told this is a firm policy. In this instance it was clearly the mistake of whoever installed the meter. Mike said it was unfair to chasing the customer. He would like follow-up information on this policy.

Colleen said she knows this is a lot of work, but it is helpful to see the program form. As these get filled out they will be helpful.

I. PWB / BES Program Level Discussion

Colleen said the general change was good. It will make the programs more comprehensible. It would be better to have more details sooner.

Mike had empathy in getting new software and chasing deadlines. PUB would like to get the information earlier though it is unlikely to happen. They are getting overviews and it will be difficult to sink their teeth into the budgets without enough detail. He is resigned to getting the detail at the last minute.

Colleen said they spoke at the last meeting with bureau staff about the importance of getting material one week before the meeting, if not fully developed, in draft form. She commended both bureaus for making the deadline on Friday. Now they have something else to read.

Van asked Colleen if she sees PUB writing a letter on the change items (like decision packages) or where she sees PUB's input. If so, PUB needs more details. Van asked when that level of information would be coming.

Colleen said she agrees they need more detail. There are five different sections. What they have now are incomplete one and two. When they get the other sections, the key is in looking at the offers and having robust discussions on what the changes are and how we are going to evaluate next year if the changes did what they were supposed to do. Performance metrics are included, and they need to track changes over time. She suspects they will write letter of some sort.

Ted asked Colleen if she has spoken to Allan about what the decision-making process will be.

Colleen said she does not know. They may go program by program or look at the programs holistically. That means they won't zero in on the parts of the program that are changing.

Ted asked if they would likely have a long meeting and go through offer by offer.

Colleen said yes. They will need to meet when they have a full board. By the second meeting, they will have a better idea of what program offers look like. They will have five comprehensive offers from Water at the meeting on January 8.

Van asked if City staff are planning to bring another set of documents to explain the offers. She asked of all they will have is the program offers. She asked of PUB should say now what they are looking for in the information.

Jonas said one of the missing sections is changes. One thing they are doing over the next couple of weeks translating into narrative form the line item detail. They are using CBO's guidance for every program. In the next version they will have more information and one more opportunity to get input.

Van said her additional comment is that when Multnomah County was doing program offers it was to help talk about structural changes. The Budget Office is not talking about small changes, for example the meters program is the concept of program offers.

Mike said they were talking about base budgeting.

Ryan said it is a different model than the county. They did all the programs in decision packages. The City is building the budget out of program offers; they are using program offers to focus on the base budget and service levels, resources, and expenses.

Jonas said it is a multi-year process and they are starting to see how it will work. In the program offer format, they were able to talk about they work they do in a concise and comprehensive way. They will add to performance metrics and outcomes. There are not arbitrary changes being made. This year is awkward. They are doing the work this year to facilitate discussion on how services are delivered and what the performance measures are. He is optimistic they are getting there.

Colleen yes, it is awkward. She is wondering what they will send to council. They don't know what information they will have. If BES is requesting four new FTE in the watershed revegetation program and eliminating contract work PUB needs to understand what they expect to gain with that change. They need to be able to look at the changes the next year to see if it worked.

Yung said in one of his bureaus, commissioners in charge paid attention to the structure and gave guidance that a program be split into five parts.

Van said it is multi layered. PUB's input could be structural for the two bureaus.

Micah said the changes create a framework for the structure throughout the year; they can be adjusted or re-envisioned in context.

Ted said they are very focused on budget. He had a request that in a couple of months they invite the auditor to come back and report on the recent audit of the BES restoration research program.

Colleen agreed.

I. Discuss next Meeting Agenda

January 8, 2018, 11am, 1825 SW Broadway, Portland State University Smith Memorial Student Union, Room 327

Draft Agenda: Conversation on Program Narratives, Program Offers - Refined Sections 1 and 2

Known absences: Mike, Heidi