

Office of Management & Finance



FY 2013-14 Budget Presentation

Charlie Hales, Mayor
Jack D. Graham, Chief Administrative Officer

Overview

The Office of Management and Finance (OMF) delivers core central and administrative services necessary for operation of the City of Portland and other government agencies. OMF's mission is to be a trusted partner, creating smart solutions for the City and our community.

OMF is overseen by the Chief Administrative Officer and consists of the following bureaus.

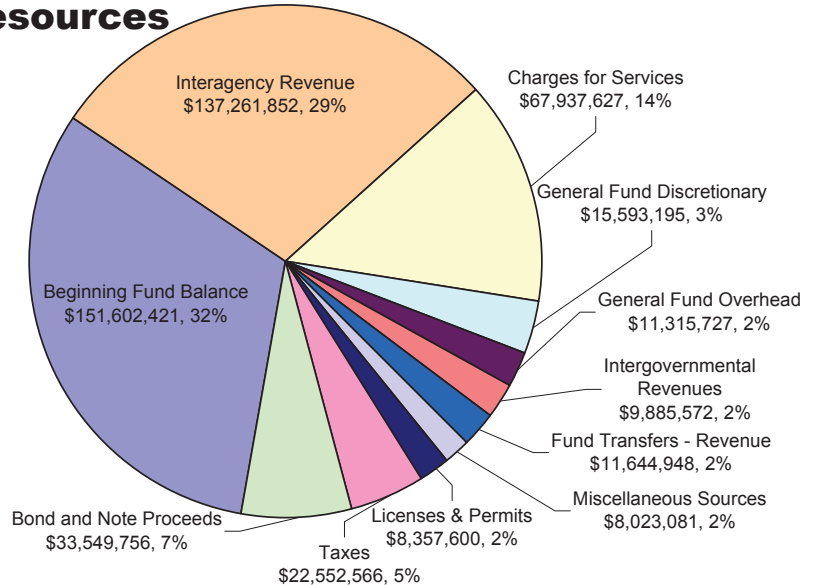
- Office of the CAO
- Bureau of Financial Services (BFS)
- Bureau of Human Resources (BHR)
- Bureau of Internal Business Services (BIBS)
- Revenue Bureau
- Bureau of Technology Services (BTS)

As shown in the pie charts, OMF is funded through a combination of resources. Without the beginning fund balance, approximately half of OMF's ongoing funding is through inter-agency charges to other bureaus. Interagency revenue is primarily charges for Technology Services, EBS Services, CityFleet, Printing and Distribution, Facilities, and Risk Management.

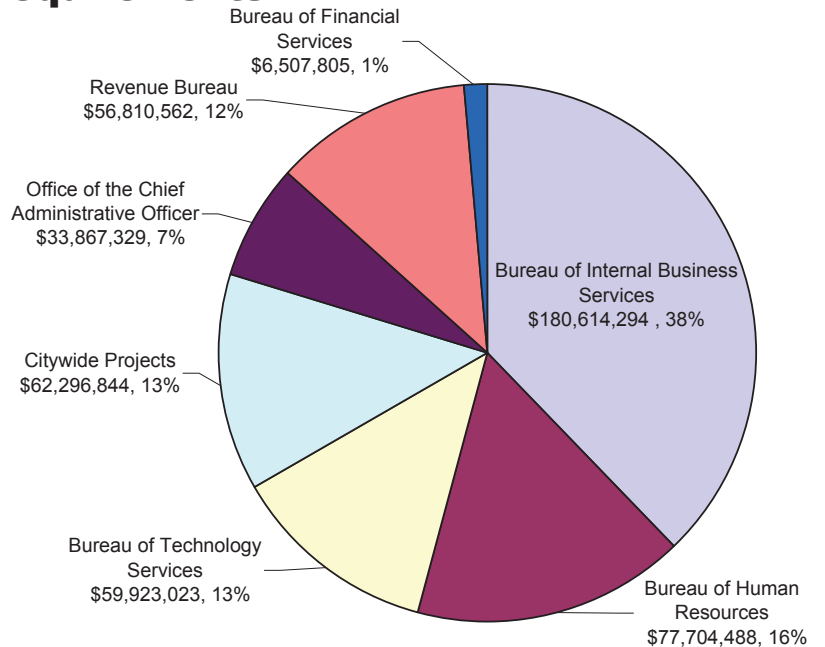
Total Requested Budget for FY 2013-14
\$477,724,345 FTE: 648.13

Requested Budget Cuts for FY 2013-14
Cut Amount: \$9,308,588 FTE: 28

Resources



Requirements



Four-Year Summary of OMF Budget Cuts

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Total
Cut Amount	\$3,647,768	\$2,436,552	\$2,445,282	\$10,180,117	\$18,709,719
FTE	11	5.63	4	25.5	46.13

Impacts of These Cuts

Over the past four years, OMF has taken considerable cuts in administration, personnel, major maintenance funding, operating reserves, and external materials and services. The cumulative impact of these cuts has been reduced capacity of OMF to serve City bureaus and Council Offices, as well as creating the emergence of some new significant issues that hold Citywide impacts. These significant issues are in addition to issues previously identified by OMF, all of which are detailed on the last page of this handout. The new issues include the need to adequately fund the Internal Service Funds' reserves, the on-going negative five-year forecast, and capacity limits of debt issuance.

OMF Budget Development Approach

Protecting Core Services

As part of the budget development process, OMF leadership evaluated the organizational structure of each OMF bureau and division and how it supports core service delivery. OMF Directors and Managers evaluated the span of control and responsibilities for different managerial, supervisory and individual contributor positions; impacts on service delivery; legal and statutory mandates; and whether there were alternative structures or processes that could be considered to achieve efficiencies and cost savings.

In developing the Requested Budget, OMF focused on having the 90% base preserve core services; be structurally organized to maximize service delivery to our customers; provide appropriate oversight and direction to staff; and ensure operational efficiency. The OMF Strategic Plan mission, goals and strategies – and the substantial customer feedback that was the basis for the plan – also provided a foundation for budget decision-making.

Mayor and Council Priorities

OMF leadership reviewed the Mayor's budget direction priorities, specifically those that focused on minimizing overhead and administration, preserving core services, and emphasizing intergovernmental collaboration.

Linkages between the Portland Plan and equity initiatives were considered throughout the OMF budget development process.

In addition, customer feedback from the OMF Budget Advisory Committee provided insight on the priorities of our key stakeholders and how they would be impacted by these cuts.

What this Document Includes:

This document provides a snapshot of each OMF bureau – the CAO's Office, Financial Services, Human Resources, Internal Business Services, Revenue, and Technology Services. It includes a brief overview of the bureau's organization and a summary of their budget development approach. The following items are a part of these handouts:

- Overview of bureau organization and structure.
- Charts of funding resources and requirements.
- Four-year summary of previous budget cuts and impacts.
- Bureau level budget development approach.
- Key impacts of this year's budget decisions.

The final page of this handout is a summary of the OMF significant issues.

Office of the Chief Administrative Officer

FY 2013-14 Budget Presentation



Jack D. Graham, Chief Administrative Officer

Overview

The Office of Management and Finance is overseen by the Chief Administrative Officer (CAO). The CAO reports directly to the Mayor and advises Council and bureau managers on strategic issues, as well as ensures the delivery of accurate, cost effective, and responsive Citywide administrative services. The CAO provides leadership, oversight and support for a variety of Citywide projects and direction to OMF managers who perform an array of financial, management, and administrative services for Council and City bureaus. The Office the CAO consists of the following programs:

Business Operations

Provides strategic financial, communications, project management, and administrative services to all OMF bureaus, as well as support for Council and other City offices.

Enterprise Business Solution (EBS)

Implements, maintains, and continuously improves the City's SAP integrated resource planning system.

Policy Team

Works on complex Citywide or OMF-specific issues having significant policy, financial and/or community implications.

Public Safety Systems Revitalization Program (PSSRP)

Manages upgrades to the public safety systems used by the City and its regional partners.

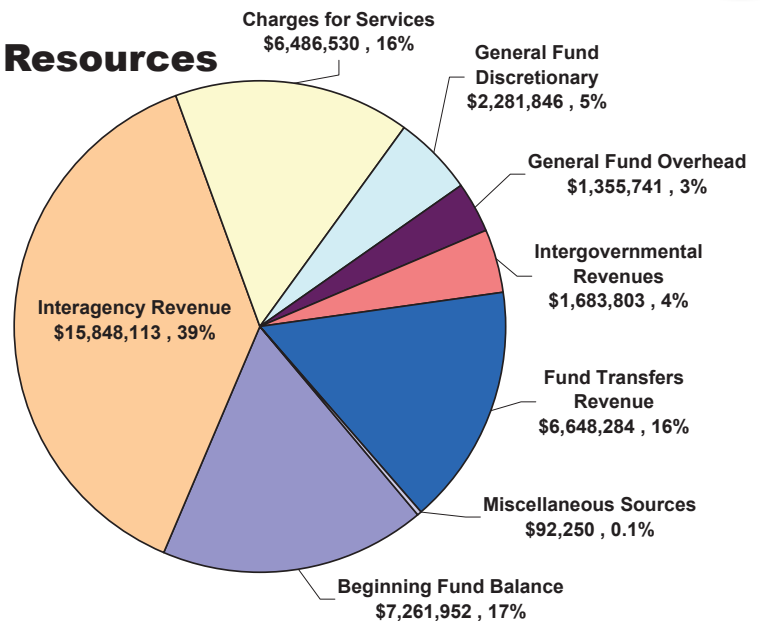
Total Requested Budget for FY 2013-14

\$96,164,173 FTE: 60

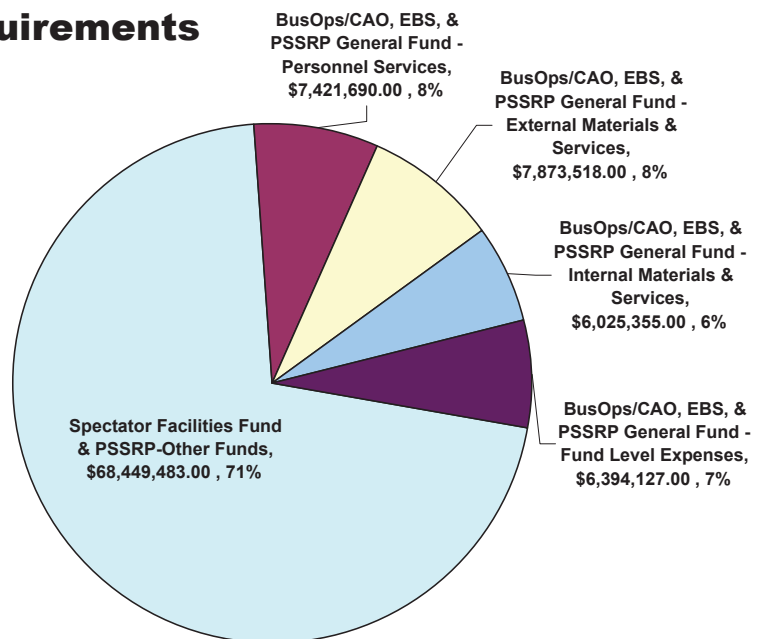
Requested Budget Cuts for FY 2013-14

Cut Amount: \$1,083,481 FTE: 2

Resources



Requirements



Four-Year Summary of CAO Budget Cuts

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Total
Cut Amount	\$169,719	\$325,820	\$150,882	\$1,240,289	\$1,886,710
FTE	1	0	0	1	2

Impacts of These Cuts

Over the last four years, the CAO's Office has made several considerable cuts, including the elimination of a public relations manager, part-time entry level staff, as well as significant cuts for outside experts to assist with SAP configuration for the financial and payroll system. This workload has been allocated to existing technical and professional staff, which decreases staff capacity for responding to needs from other OMF and City bureaus and Council Offices.

CAO's Office Budget Development Approach

What's in the 90% – Protecting Core Services

The approach to planning and budgeting in the CAO's Office was to preserve core functions, preserve capacity to develop bureau and Citywide efficiencies, reduce administrative requirements and costs, and identify cuts that have the least impact on operations and core service delivery.

Leadership identified the most core functions and looked at options for further efficiencies. The EBS and Business Operations divisions are leading an effort to simplify employee time entry and manager time approval in OMF that can be rolled out Citywide – continued support for this project was identified as a priority.

The service delivery model was evaluated for additional administrative reductions. To achieve a ten percent reduction, none of the programs within the CAO's office can be eliminated, so the office made incremental cuts to "thin" the organization.

What's in the 10% – Cuts and Workload Realignment

Three other OMF divisions proposed cutting administrative positions, with the Business Operations Division assuming responsibility for some of the workload and administrative functions performed by those positions. Business Operations, created as an efficiency to serve dozens of business groups, maintained core centralized services, but cut staff support for additional functions.

EBS proposes cutting an administrative management position and adding back a technical position for configuration and testing. In addition, EBS proposes cutting a significant amount of consulting services in order to meet the cut target.

PSSRP proposes cutting one higher level position and adding back a lower level position, resulting in a net efficiency in the program management office.

Key Impacts

Business Operations will assume some of the responsibilities for three positions proposed as cuts in other areas of OMF. To do this and achieve the cut target, Business Operations cut procurement support, procurement card processing and posting web content services to OMF. These functions will need to be picked up by technical and professional staff in OMF bureaus, which will decrease the time spent on service delivery. The division will also cut support to one business process improvement project.

In EBS, reductions were made in administrative staffing and consulting services. These functions will need to be picked up by remaining EBS staff and management will need to closely monitor the effect on service delivery, specifically on the division's ability to improve the time and payroll system and complete changes to labor contracts in a timely manner.

In PSSRP, the two remaining project managers will assume project management responsibilities from the position that was cut.