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CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

OMF Advisory Meeting Committee Notes
Monday, December 16, 2013

Members Present: Betsy Ames, Ben Berry, Jane Braaten, Bryant Enge, Carol Justice, Anna Kanwit (chairing the meeting for Jack D. Graham), Satish Nath, Catherine Riffe, David Shaff, Gerry Verhoef, Terri Williams (for Thomas Lannom).

Members Absent: Jack D. Graham, Amalia Alarcon de Morris, Donna Hammond, Tim Crail, Mike Greenfield, Erin Janssens, Mark Lewis, Traci Manning, Robert McCullough, Paul Scarlett, Gail Shibley.

Other Staff Present: Kelly Ball, Aaron Beck, Jennifer Cooperman, John Hunt, Bob Kieta, Sara Lowe, Christine Moody, Behnaz Nelson, Elyse Rosenberg, Dan Trubman, Kate Wood.

OMF Budget Discussion

OMF bureau directors presented information regarding decision packages being considered for the FY 2014-15 Requested Budget. The attached handout was distributed and provides information on each of these decision packages. Feedback and questions regarding the packages are as follows:

Bureau of Human Resources: Anna Kanwit

Citywide Non-represented Classification/Compensation Study

Questions/Comments:
- What does it mean when a package is listed as one-time and overhead.
  - The bureau is funded with a mix of discretionary and overhead.
- What is the impact to rate bureaus for these packages?
  - Still being determined. The City Budget Office Economist and Business Operations financial staff can assist bureau budget staff in this.

Employment and Diversity Senior HR Analyst

Questions/Comments:
- No questions or comments.

Workforce Development

Questions/Comments:
- No questions or comments.

Bureau of Internal Business Services: Bryant Enge

CityFleet – Consolidate Multnomah County Fleet Services with CityFleet

Questions/Comments:
- What's in it for the City?
    - This began as a pilot, which was successful.
    - The City will gain an outer eastside facility with this addition.
    - To start, rates should remain the same; however, it may help reduce overall rates in the future.
    - This may provide more opportunities for additional regional services.
- Who maintains the facility?
    - The City covers the operating cost of building.
    - The County maintains the capital costs.
- What about scheduling repairs? Will turn-around time be affected?
    - Customers should see no impact on turn-around time for scheduled repairs.
    - City vehicles get priority per the contract; however, we do not believe this will be an issue.
- What about servicing heavy equipment? Water Bureau heavy equipment is now located by the current CityFleet location, sending equipment to another facility is problematic.
    - The additional location is open for both City and County vehicles.
    - Equipment can be serviced at either location, whichever is more convenient.
- Portland Public Schools are also using CityFleet services.

Facilities – ADA – Title II Transaction Plan Project Management

Questions/Comments:
- How does this affect the current job posting for the position?
    - That job posting is not for this position.

Facilities – Facilities Maintenance Technician

Questions/Comments:
- No questions or comments.

Facilities – Project Manager

Questions/Comments:
- What does $0 realignment mean?
    - This package gives the FTE authority and converts this to a permanent position. It requires no additional dollars.

Facilities – Restore Janitorial Services

Questions/Comments:
- Were some of the janitorial services added back in the Fall BMP?
    - The janitorial services in the Fall BMP were for BOEC.

Procurement – Assistant Procurement Specialist Position for PPS IGA

Questions/Comments:
- No questions or comments.

Risk Management – Risk Specialist

Questions/Comments:
- No questions or comments.

Risk Management – Sustain Earthquake Insurance Coverage Limits

Questions/Comments:
- Is this the only option we have? Are there options to get other insurance?
  - There could be other ways to structure the program, but that will take time to determine.
  - In the short term, this is the best option.
  - As we move forward, we will be working with Bureaus to identify critical infrastructure.

Revenue Bureau: Terri Williams for Thomas Lannom

MHCRC Special Appropriation

Questions/Comments:
- No questions or comments.

Property Management License Fund General Fund Overhead Exception

Questions/Comments:
- Money cannot come out of the fund per contracts.

Tax Info Exchange – IRS and Portland

Questions/Comments:
- Can revenue increase be tracked?
  - Yes.
- When would this go into effect?
  - This would be effective for the next tax year.
  - If we are able to ensure safeguards by July/August, then the action can occur in the following year. If it takes longer, then it will be an additional year.

Utility Franchise/License Fee Audit

Questions/Comments:
- Why half time?
  - It's not full time work, there are periods of downtime.
  - Limited term will ensure we get the return that we expect. If we do, then we may ask for a permanent position.

Bureau of Technology Services: Ben Berry

BTS Police IT Information Systems Manager

    Questions/Comments:
- Portland Police Bureau position is important.

IT position for Services to Fire

    Questions/Comments:
- Isn't this position more of a data analyst? Some crime analysts do similar work.
    - It's similar, but more of a data mining position.

Technology Disaster Planning Analyst

    Questions/Comments:
- No questions or comments.

Network Security Analyst

    Questions/Comments:
- No questions or comments.

Mitigate Impact of Change in Enterprise Server changes

    Questions/Comments:
- It is still in the works to get these off the system.
    - REGIN – moving off the enterprise server in December 2014/March 2015.
    - Lien Accounting System – RFP for transition off the enterprise server.
- This package stands out because the cost is so large.

General Comments

- May want to take off things that do not add to OMF.
    - Portland Police Bureau and Fire positions are paid for by Bureaus.
    - Fleet has a package paid for by Multnomah County.
    - Consider emphasizing decision packages that are paid by others.

- Would like restoration of janitorial services ranked higher ranking, but understand why it has to be this way.

OMF FY 2014-15 Draft Requested Budget Summary
OMF Advisory Committee
Dec. 16, 2013

Introduction

City bureaus received budget guidance from the Mayor that the FY 2014-15 budget would be a stabilization budget, with no reductions to current serve level for the General Fund and limited amounts of new one-time and ongoing resources available for decision packages. Over the last four years, OMF has cut one-time and ongoing resources of $26.53 million and 67 FTE.

With this background, OMF reviewed critical service gaps and developed decision packages, both add packages and realignments, to reduce these gaps. This document provides a summary of the decision packages prepared for FY 2014-15 by OMF Bureaus and Divisions.

Methodology for Ranking Decision Packages

The OMF Core Leadership Team evaluated proposals and developed packages based on the following criteria:
- Aligns with Council priorities as communicated in the Council Budget Work Session on November 5
- Addresses an OMF Significant Issue or Strategic Plan Strategy
- Responds to customer input
- Mitigates an operational or financial risk
- Increases outside agency revenues and intergovernmental partnerships

The OMF Core Leadership Team then prioritized packages based on the following additional criteria:
- Amount of General Fund discretionary funding required
- Amount of General Fund discretionary one-time and ongoing funding the Council has available in the forecast

Summary of Ongoing Decision Packages

Bureau	Package Category	Number of positions	Requested Budget
BIBS	Add	9.0	$1,650,522
BIBS	Realignment	2.0	$0
Human Resources	Add	1.0	$125,779
Revenue	Add	1.0	$165,000
Revenue	Realignment	0.0	$0
Technology Services	Add	4.0	$824,084
Total		**17.0**	**$2,485,385**

Summary of One-time Decision Packages

Bureau	Package Category	Number of positions	Requested Budget
BIBS	Add	1.0	$123,121
Human Resources	Add	0.0	$450,000
Revenue	Add	0.5	$95,000
Total		**1.5**	**$668,121**

Additional Considerations

Separate from this decision package process, the Core Leadership Team also considered the following:

Citywide Technology Assessment
The Citywide Technology Assessment is underway to review all bureau technologies that are used to enable the business at the City of Portland. Sierra Systems, the City's consultant, is looking at systems, architectures, hardware, software, and staff. This assessment covers the areas of organizational structure, staff skills, state of technology citywide, budget, and enterprise governance.

Proposed findings and recommendations are scheduled to be delivered to the City Council in early January 2014.

Fleet Budget Note
There is a Budget Note for CityFleet to complete a comprehensive analysis of the City's fleet focused on utilization and motor pool opportunities for the FY 2014-15 Budget. The process to review bureau fleet inventories began in August and a report to Council will be forthcoming.

Portland Building exterior and seismic improvements project
OMF has prepared a decision package for funding a Portland Building exterior and seismic improvements project. Due to the magnitude of this project and its impact, it will be presented to Council separately from other packages.

Other City bureaus add packages
Other City bureaus are preparing add packages that, if approved, would include impacts to OMF.

Significant Issues

OMF will be presenting five significant issues to Council in the budget process:

- Critical technology recovery in a disaster
- Facilities and technology asset major maintenance and replacement
- Workforce planning
- Adequate funding of internal service funds' reserves
- Financing the City's recovery after an earthquake

These are issues that, if not addressed, represent significant financial and/or operational risks to the City.

OMF FY 2014-15 Draft Requested Budget Summary
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Decision Package Summaries

Bureau of Human Resources

Citywide Non-represented Classification/Compensation Study
Requests one-time resources to hire outside consulting assistance for a comprehensive Citywide job classification and compensation study for non-represented positions. The non-represented pay structure and classifications have not been reviewed since 1999. This request is being submitted after discussions with the Council subcommittee on Span of Control led by Commissioners Fish and Novick.

Amount of Request: $300,000
Funding Source: One-time General Fund Discretionary and Overhead
FTE: 0

Employment and Diversity Senior HR Analyst
Requests ongoing resources to restore a Senior Human Resources Analyst within the Outreach, Employment and Diversity Resources program, which was eliminated in budget reductions in FY 2013-14. Restoration of the position will allow BHR to provide more timely recruitment services to our customer bureaus. This position would provide outreach, create announcements, review applications, create certification lists, send qualified applications to supervisors and managers to review, conduct reviews and create assessment centers. This package would allow BHR to perform the task of initially screening applications to determine whether they meet minimum qualifications.

Amount of Request: $125,779
Funding Source: Ongoing General Fund Discretionary and Overhead
FTE: 1 (Non-represented, non-supervisory)

Workforce Development
Requests one-time resources to create a Citywide new employee onboarding process, incorporating standardized orientation information and leveraging the City's new eLearning system, CityLearner. The City hires approximately 1,000 employees in a fiscal year, of which about one-third are regular full-time and about two-thirds are seasonal and/or temporary employees. Citywide information will be standardized and shared, and bureaus will be able to create onboarding modules to meet specific bureau requirements.

Amount of Request: $150,000
Funding Source: One-time General Fund Discretionary and Overhead
FTE: 0

Bureau of Internal Business Services

CityFleet - Consolidate Multnomah County Fleet Services with CityFleet
Requests authority to increase ongoing Outside Agency revenue to provide fleet services to Multnomah County. City Council authorized an Intergovernmental Agreement with Multnomah County for the maintenance and repair of their vehicles and equipment. After a successful pilot program, the County has requested that the City provide fleet services. The approval of this package will result in the following benefits to the City of Portland; 1) increased volume of parts and fuel purchases will help reduce costs to Multnomah County and the City, 2) an eastside shop facility will assist City bureaus with daily operations and increase the City's ability to respond in an emergency, and 3) the agreement itself represents a commitment to partnership with other governmental entities.

Amount of Request: $756,268
Funding Source: Ongoing Outside Agency Revenues
FTE: 7 (Represented, non-supervisory)

Facilities - ADA Title II Transition Plan Project Management
Requests one-time resources to add a new position, ADA/Transition Plan Coordinator, funded through FY 2015-16. This position will ensure that the Citywide ADA transition plan is delivered on time and on budget and will develop a citywide implementation and documentation program. This position is a Citywide priority because federal grant funding rests on the ability to comply with the federal non-discrimination statutes.

Amount of Request: $123,121
Funding Source: One-Time Interagency Rates
FTE: 1 (Non-represented, non-supervisory)

Facilities - Facilities Maintenance Technician
Requests ongoing resources to add a Facilities Services Maintenance Technician so that the Division can maintain our preventative maintenance program to ensure the our critical infrastructure is preserved and can better respond to customer requests and needs The Division has had the same number of technicians since 1995 but the square footage maintained by these technicians has nearly doubled with the addition of buildings like Archives and Records Center, Kelly Building, Police Training, and Jerome Sear Building.

Amount of Request: $144,254
Funding Source: Ongoing Interagency Rates
FTE: 1 (Represented, non-supervisory)

Facilities – Project Manager
Realigns existing resources to restore a Project Manager position. Customer bureau demand for project management services remains high and Facilities continues to experience a large backlog of funded projects that are delayed due to a lack of staff capacity. Additionally, delaying projects costs the City more due to reduced building efficiency and higher maintenance costs. This package is funded through the major maintenance component of building rental rates.

Amount of Request: $0 (Realignment)
Funding Source: Ongoing Interagency Rates
FTE: 1 (Non-represented, non-supervisory)

Facilities – Restore Janitorial Services
Requests to ongoing resources to restore $200,000 in janitorial contracts, which were cut in the FY 2013-14 budget reductions. Between budget reductions and cost increases, customer Bureaus have communicated that the level of service currently provided is not acceptable and service level increases have been requested. While this will not replace all janitorial services that were lost due to budget reductions and cost increases over the last four years, it will provide us with the ability to meet our customers' most critical needs.

Amount of Request: $200,000
Funding Source: Ongoing Interagency Rates
FTE: 0

Procurement - Assistant Procurement Specialist Position for PPS IGA
Requests authority to increase ongoing Outside Agency revenue through an Intergovernmental Agreement (IGA) with Portland Public Schools to add a position to provide contract compliance services. This revenue will be applied to Personnel Services and will fund one Assistant Procurement Specialist to support this IGA work and overflow work for City construction compliance in which an FTE was lost through the FY 2013-14 budget reductions.

Amount of Request: $50,000
Funding Source: Ongoing Outside Agency Revenues
FTE: 1 (Non-represented, non-supervisory)

Risk Management - Risk Specialist
Realigns existing resources to add a Risk Specialist position. Currently, funds are being used to pay for a temporary services employee. The position provides technical assistance to the Citywide Occupational Health and Infectious Disease program and the Risk Manager. This package would support the Occupational Health Nurse and Risk Manager in program operations, technical program documentation, procedures updates, file management, data development, research, analysis, report writing and the conversion to a new risk management data system.

Amount of Request: $0 (Realignment)
Funding Source: Interagency Rates
FTE: 1 (Non-represented, non-supervisory)

Risk Management - Sustain Earthquake Insurance Coverage Limits
Requests ongoing resources to sustain the City's current level of $100 million in earthquake insurance coverage. Major property insurance carriers are reevaluating their earthquake exposure in the Pacific Northwest, and are limiting their risk or leaving the market in western Oregon. The City's incumbent insurer has notified the City it will reduce current limits by 75% to $25 million at next year's 2014-15 renewal. It will cost the City an additional estimated $500,000 to sustain coverage at $100 million.

Amount of Request: $500,000
Funding Source: Ongoing Interagency Rates
FTE: 0

Revenue Bureau

MHCRC Special Appropriation
Requests to realign existing resources so that the City of Portland's contractually-obligated payment to the Mt. Hood Cable Regulatory Commission's (MHCRC) annual budget is designated as a Special Appropriation. This will allow for segregation and more transparent tracking of the City's obligated amount in accordance with the Intergovernmental Agreement among the cities of Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County, which governs the MHCRC. Currently, the City's allocation amount is included in the Current Appropriation Level (CAL) target provided to the Revenue Bureau. The package does not change the amount of the contractually-obligated payment for the City of Portland's share of the MHCRC's approved budget.

Amount of Request: $0 (Realignment)
Funding Source: One-Time General Fund Discretionary
FTE: 0

Property Management License Fund General Fund Overhead Exception
Requests one-time funds to exempt the Property Management License Fund (a pass through fund) from General Fund Overhead charges in FY 2014-15. The Downtown Clean and Safe District and the Lloyd Business Improvement District contracts related to this fund are governed by a cap of 1.25% of billings for the Revenue Bureau's administrative costs. The General Fund Overhead charges, when combined with the Revenue Bureau administrative costs, exceed this cap, If this request is denied, the City will be in violation of the Council-approved contract which contains an administrative fee cap (1.25% of billings) as this amount is already being charged to the fund.

Amount of Request: $25,000
Funding Source: One-Time General Fund Discretionary
FTE: 0

Tax Info Exchange - IRS and Portland
Requests ongoing resources to fund a position to support the Revenue Bureau's implementation of an agreement for free, direct exchange of taxpayer information with the IRS. To fully benefit from the exchange, additional resources are needed on an ongoing basis to administer the agreement and facilitate the exchange of data. Benefits of this package include a substantial reduction in tax filing burden for citizens, a significant increase in compliance with local income taxes, and a reduction of bureau administrative workload.

Amount of Request: $165,000
Funding Source: Ongoing General Fund Discretionary
FTE: 1 (Non-represented, non-supervisory)

Utility Franchise/License Fee Audit
Requests one-time resources to fund a part-time position on a limited term basis for two years within the Revenue Bureau Audit Section for utility franchise and license audits. The Office for Community Technology would like to initiate at least between 15-20 utility audits each fiscal year. A review done by IntelliBridge Partners in September 2010, found that audit positions produced a return on investment ranging from 135% to 559%. If the add package is not funded, the Bureau will fall behind in its audit schedule and the City may lose the ability to recover funds for past underpayments.

Amount of Request: $70,000
Funding Source: One-Time General Fund Discretionary
FTE: 0.5 (Non-represented, non-supervisory)

Bureau of Technology Services

BTS Police IT Information Systems Manager
Request ongoing resources to fund a manager position in the BTS Police IT Division. This position is critical to the success of the RegJIN project as well as other important Police and BTS initiatives. This position is a technical and managerial resource to ensure critical systems and Public Safety IT initiatives provide both better officer safety, productivity, and better accountability to the public.

Amount of Request: $145,451
Funding Source: Ongoing Interagency Rates
FTE: 1 (Non-represented, supervisory)

IT position for Services to Fire
Requests ongoing resources to fund an additional resource for the Fire Bureau. Discussions between BTS and Fire are continuing to further refine this request.

Amount of Request: $145,451
Funding Source: Ongoing Interagency Rates
FTE: 1 (Non-represented, non-supervisory)

Mitigate Impact of Change in Enterprise Server changes
Requests one-time General Fund resources to fund an increase in charges for the Enterprise Server for the Police Bureau and the Auditor's Office for next fiscal year. BTS updated the cost allocation metrics for the Enterprise Server to reflect current and planned usage. Since OMF and the CBO no longer routinely use IBIS historical financial and personnel data and the Water Bureau no longer routinely uses their historical billing information that are housed on the server, OMF has assumed they will be off the server on July 1, 2014. This means that fewer customers must support the Enterprise Server that still houses the Portland Police Data System and the Auditor's lien accounting system. OMF recognizes that this shifts a larger percentage of the costs of maintaining the server onto these two bureaus. This request for one-time General Fund resources would alleviate these bureaus from having to make reductions elsewhere in their FY 2014-15 budgets to address this cost shift.

Amount of Request: $537,252
Funding Source: One-time General Fund Discretionary
FTE: 0

Network Security Analyst
Requests ongoing resources to fund a position on the Communications Network Team. The position's responsibilities will help ensure the confidentiality, integrity, and availability of all City data, communications systems and assets, which includes ensuring the City is PCI compliant. Without the addition of this position, the City risks being non-compliant and puts the City at risk for fines levied by PCI (Payment Card Industry) auditors and the inability for City bureaus to process payment cards for its customers as part of doing business.

Amount of Request: $116,381
Funding Source: Ongoing Interagency Rates
FTE: 1 (Represented, non-supervisory)

Technology Disaster Planning Analyst
Requests ongoing resources to fund a position to assist in the mitigation of threats to the City's information and technology systems in the case of a natural or man made disaster. This position is expected to: 1) create and monitor an information system and technology asset business continuity plan, 2) assist in the annual testing of the plan, 3) monitor progress towards the Citywide mitigation of threats to its information and technology assets. If this package is not adopted, the City will continue to operate without clear documentation of threats to its ability to operate in the event of a natural or man made disaster.

Amount of Request: $136,801
Funding Source: Ongoing Interagency Rates
FTE: 1 (Represented, non-supervisory)

The Office of the Chief Administrative Officer (CAO's Office/Policy Team, Accounting Division, Business Operations Division, Enterprise Business Solution Division, and Public Finance and Treasury Division) has no decision packages.

The Public Safety Systems Revitalization Program has no decision packages.

FY 2014-15 Draft Requested Budget Adds - OMF   OMF FY 2014-15 Decision Packages - All Funds

Rankings	Bureau	Division	One-time or ongoing?	Package title	Number of positions	Requested Budget	Cumulative Ongoing General Fund discretionary resources required	Cumulative One-time General Fund discretionary resources required
1	Revenue	Revenue	Ongoing	Tax Info Exchange - IRS and Portland	1.0	$165,000	$165,000	N/A
2	Human Resources	BHR	One-time	City-Wide Non-Rep Classification/Compensation Study	0.0	$300,000	N/A	$138,510
3	Technology Services	BTS	Ongoing	Network Security Analyst	1.0	$116,381	$226,682	N/A
4	Technology Services	BTS	Ongoing	Technology Disaster Planning Analyst	1.0	$136,801	$283,051	N/A
5	BIBS	Risk	Ongoing	Sustain earthquake insurance coverage limits	0.0	$500,000	$433,051	
6	BIBS	Facilities	One-time	ADA Title II Transition Plan Project Management	1.0	$123,121	N/A	$209,605
7	BIBS	CityFleet	Ongoing	Consolidate Multnomah County Fleet Services with CityFleet	7.0	$756,268	$433,051	N/A
8	Revenue	Revenue	One-time	Utility franchise/ license fee audit	0.5	$70,000	N/A	$279,605
9	BIBS	Facilities	Ongoing	Facilities Maintenance Technician	1.0	$144,254	$433,051	N/A
10	BIBS	Procurement	Ongoing	Assistant Procurement Specialist Position for PPS IGA	1.0	$50,000	$433,051	N/A
11	Human Resources	BHR	Ongoing	Employment and Diversity Senior Human Resources Analyst	1.0	$125,779	$491,123	N/A
12	Human Resources	BHR	One-time	Workforce Development	0.0	$150,000	N/A	$348,860
13	Technology Services	BTS	Ongoing	BTS Police IT Information Systems Manager	1.0	$145,451	$575,485	N/A
14	Technology Services	BTS	Ongoing	IT position for services to Fire	1.0	$145,451	$720,936	N/A
15	BIBS	Facilities	Ongoing	Restore Janitorial Services	0.0	$200,000	$844,466	N/A
17	Revenue	Revenue	One-time	Property Management License Fund - General Fund overhead exception	0.0	$25,000	N/A	$373,860

Adds - Other

OMF on behalf of Police and Auditor's Office			One-time	Mitigate impact of change in Enterprise Server charges	0.0	$537,252		

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FY 2014-15 Draft Requested Budget Realignments - OMF

Final Rankings	Bureau	Division	One-time or ongoing?	Package title	Number of positions	Requested Budget
1	BIBS	Risk	Ongoing	Risk Specialist	1.0	$0
2	BIBS	Facilities	Ongoing	Project Manager	1.0	$0
3	Revenue	OCT	Ongoing	MHCRC Special Appropriation	0.0	$0

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