



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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OMF Advisory Meeting Committee Notes Tuesday, April 14, 2015

Members and OMF Leadership Present: Betsy Ames, Jeff Baer, Jane Braaten, Bryant Enge, Leslie Goodlow (for Traci Manning), Erin Janssens, Anna Kanwit, Fred Miller, Satish Nath, Catherine Reiland (for Larry O'Dea), Ken Rust, Ida Salazar (for Ben Berry), David Shaff, Deborah Sievert Morris (for Paul Scarlett), and Gerry Verhoef.

Members and OMF Leadership Absent: Amalia Alarcon de Morris, Tim Crail, Mike Greenfield, Donna Hammond, Carol Justice, Robert McCullough, and Gail Shibley.

Other Staff Present: Kelly Ball, Aaron Beck, Jennifer Cooperman, Julian Massenburg, Jeremy Patton, Elyse Rosenberg, Janet Storm, and Daniel Trubman.

Welcome: Fred Miller

Miller welcomed attendees. Each person introduced him/herself.

Budget Update

- OMF responded to the Council's questions from the March 31 budget work sessions and the City Budget Office has posted them online: <https://www.portlandoregon.gov/cbo/67299>.
- CBO asked follow-up questions regarding the Spring BMP, and OMF provided responses to those questions, as well.
- CBO recommended carryovers for the Innovation Fund and for litigation funding in the Office of Community Technology.
- Many thanks are due to Dave Shaff and Catherine Reiland for their input in the budget process and participation in the work sessions.

CAO Update

RegJIN

- Jeff Baer gave some background on the RegJIN project which went live on the morning of Tuesday, April 14 and will be used in 44 jurisdictions throughout Oregon and Washington.
- A project specific help desk is active and PSSRP is partnering with Clark County to address any Washington issues.
- As of the meeting, 169 different records had successfully been input into the system; the system is running well.

PCI Compliance

- Pre-work has been completed on the payment gateway system and the migration should happen soon.
- BTS is in the process of speaking with external vendors to potentially partner in the process and alleviate staff overload.
- PCI Standards have become stricter since the City began the process. For example, phone system security compliance is now required.
- The City is taking the issue very seriously.
- The deadline for PCI compliance is December 31. Remediation work must be completed three months before the deadline so auditors will have time to audit the system.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons

Portland Building

- A \$3.75 million major maintenance realignment package has been requested in the FY 2015-16 Budget, which will enable the design phase of the project.
- An additional \$8.75 million is being sought as an equity contribution towards the total project funding.
- The Bureau of Revenue and Financial Services is working with a budget group to examine options for financing and whether it makes sense to issue 20-year General Fund Bonds that would result in higher payments but a reduced interest cost of \$79.45 million, or 30-year bonds which would cost the City \$149.5 million in interest but lower its payments. The group is also studying interest-only options which would allow for much lower initial payments, and then a gradual increase over the life of the loan.
- Facilities is currently working on a plan to find 300,000 sq. ft. of space to relocate 1,300 employees sometime in 2016.
- Bureaus will be invited to meetings on space planning. Facilities is also working with bureaus to determine if some could better serve their customers by permanently relocating outside of the Portland Building.
- The current plan is to fully vacate the building and to begin rebuilding from the core out.
- Current residents are only paying approximately 50% of market rate. When the renovation is complete, that cost will go up.
- **Question**
 - What is an acceptable impact to the bureaus?
 - Currently looking at different funding options. One is through the overhead model, which would mean more cost to the bureaus and less cost to the public. Also looking at ways to spread the cost equitably keeping in mind that there are some very large bureaus in the Portland Building. Council may also decide to mitigate some of the cost.
 - What would be the approximate interest rate?
 - Slightly more than 4% full tax exempt.
 - Is staff relocation a factor of the expense?
 - Yes.
 - Will the relocation sites be downtown?
 - Yes, most likely.
 - How will you determine who moves out of the building permanently?
 - It will depend on customer service issues. The plan is to bring everyone back into the building from the external space. However, bureaus with customers outside of the downtown core will have the opportunity to relocate if it supports their business model.
 - What will happen to the County office on the 15th floor?
 - They have a perpetual lease.
 - Does the \$175 million include relocation of the data center?
 - This has yet to be determined.

Employer of Choice

- Ten months ago the CAO initiated the Employer of Choice initiative.
- In order to provide excellent customer service, an employer must have and take care of an engaged work force.
- The goal is to have productive, satisfied employees.
- Bureau of Human Resources partnered with Portland Fire & Police Disability & Retirement and the Office of Equity & Human Rights to develop a model for the City to become an employer of choice. The results will be presented in June.
- The City must be supportive, flexible, fun, recognize employee achievements, and create an environment of trust in order to be successful. The environment of trust does not exist at this time.
- As the retirement eligibility rate increases, it will become even more important to market the City as a value-based employer that champions public trust, public service, diversity, and ethical conduct.
- The City must attract and retain a diverse, competent, and skilled workforce that provides excellent public service.
- The City needs to address employees leaving bosses and creating an emotionally safe environment for employees.
- BHR will make a presentation to bureau directors in June. A resolution will then go before Council, and after that, BHR will discuss implementation strategies with City employees.

- Bureau of Development Services conducted a 15 question employee survey and received both positive and constructive feedback from 88% of its employees.
 - **Question**
 - Who developed the BDS survey?
 - BDS developed the survey.
 - **Comment**
 - Great information and groundwork.
 - The City needs to take a strategic and holistic look at equitable outcomes and how the Class Comp Study will affect growth, development, and promotional opportunities, especially at the entry level.

Open Checkbook

- OSPRIG gave the City a D- on its financial transparency.
- OMF is working on getting Open Checkbook up and running, which will be a website that will enable online viewing of the City's vendor payments.

Other Items and Announcements

- There will be no May meeting. The next meeting will be in June and held in Portland Building Room B.
- The committee will have its traditional hiatus in July and August, reconvening in September.