



# CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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## OMF Advisory Meeting Committee Notes Tuesday, December 8, 2015

**Members and OMF Leadership Present:** Betsy Ames, Amy Bowles, Jane Braaten, Lois Cohen, Bryant Enge, Jay Guo (for Erin Janssens), Anna Kanwit, Mike Jordan, Amy Julkowski (for Martha Pellegrino), Satish Nath, Thomas Lannom (for Ken Rust), Fred Miller, Robert McCullough, Catherine Reiland (for Larry O'Dea), and Paul Scarlett.

**Members and OMF Leadership Absent:** Josh Alpert, Jeff Baer, Tim Crail, Mike Greenfield, Donna Hammond, Carol Justice, and Ernest Stephens.

**Staff Present:** Kelly Ball, Aaron Beck, Claudio Campuzano, Diana Fielitz, John Hunt, Cecelia Huynh, Julian Massenburg, Jeremy Patton, Elyse Rosenberg, Matthew Spitulski, Joe Wahl, Jeff Winkler and Kate Wood.

### Preamble: Fred Miller

- Mayor Hales proposed a five percent budget reduction for General Fund bureaus.
- Finding areas to cut is difficult – today we will discuss conceptual OMF addition and reduction packages for FY 2016-17.

### Welcome: Jane Braaten

- Streamlining processes and efficiencies will help discover reduction areas.
- A five percent reduction equals approximately \$1.3 million for OMF General Fund bureaus.
- Internal Service Fund bureaus are not required to submit a five percent reduction.
- Internal Service Fund bureaus were asked to address areas to improve efficiency.

### Bureau of Revenue and Financial Services (BRFS) Concepts: Thomas Lannom and Jane Braaten

- In CFO Ken Rust's absence, Braaten and Lannom discussed conceptual additions and reductions for Procurement Services and Revenue Division.
- Procurement would no longer have funding for a software replacement.
- Revenue Division serves approximately 100,000 business tax accounts with existing staff.
- Revenue Division has worked with the Internal Revenue Service (IRS) on a new data exchange for tax collection information.
  - This system will require two position requests.
  - The positions will cost approximately \$80,000 each and will likely generate nearly \$1.2 million.

### Questions

- How do you address tax payers who conduct business in the City but are stationed outside of the City?
  - The City has the ability to access those business records from the IRS.
  - Revenue Division anticipates a one to three percent increase in compliance.
- How far is the City willing to go in order to collect funding?
  - The City is willing to litigate, if necessary.

### Bureau of Human Resources (BHR) Concepts: Anna Kanwit

- Bureau of Human resources plans to increase efficiencies and customer service.
- Bureaus can now use NeoGov to request a job application rather than a resume and cover letter for applicable positions.
- Efficiencies to BHR forms and processes will reduce paperwork production.
- Phase one of the BHR Classification/Compensation study will be complete in March 2017.

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- Kanwit discussed conceptual reductions for FY 2016-17:
  - BHR will not hire two vacant positions.
  - BHR Systems & Payroll may receive a reduction.
  - Site Teams may receive a reduction.

**Questions/Comment**

- Will BHR consider a package to become a model employer for persons with disabilities?
  - That package was not funded in the past.

**Business Operations Concepts: Jane Braaten**

- Business Operations is funded through interagency agreements and the OMF General Fund.
- Business Operations manages 14 individual OMF funds and serves 28 separate business groups including five City Council offices.
- Cutting a service would push work out to customers.
- Business Operations just started providing financial management services for GovQA – the City's new records management software.
- Business Operations may reduce interagency agreements in BTS and facilities through efficiencies.
- Business Operations is requesting an increase in funding from the Office of Community Technology to achieve parity with what other groups are charged for similar work.
- Business Operations will request ongoing funding from the Citywide Innovation Fund for administrative costs in the following year.

**Questions/Comment**

- Business operations is looking to increase funding from the Office of Community Technology?
  - Yes. Business Operations is seeking an increase of \$10,000.
  - Braaten says the Office of Community Technology is a complex client. Financial management compliance and preventing audit findings is important.
- How will BTS and Facilities funding be reduced?
  - For BTS, this is a bundled service that will be separated.
  - Facilities is reviewing space on the 12<sup>th</sup> floor and will true-up in comparison with other bureaus.

**Bureau of Internal Business Services (BIBS) Concepts: Bryant Enge**

- Over a hundred years of institutional knowledge will be lost due to retirements.
- Portland Building Reconstruction and Coordinated Campsite Cleanup are major projects.
- BIBS is purchasing 18 electric vehicles for the Bureau of Environmental services as part of the Climate Action Plan.
- BIBS will not propose reductions for FY 2016-17.
- Enge offered to meet with bureaus to develop reductions or efficiencies in services.
- BIBS add concepts for FY 2016-17 include:
  - Portland Building Reconstruction Project
  - Security updates
  - ADA Compliance, HVAC, and Fire upgrades for Sears facility
  - Equitable Contracting and Purchasing Commission (ECPC) staff support.
  - Facilities position
  - Preventative maintenance staff
  - Automatic gas shut off valves and improved sprinkler systems in City facilities

**Bureau of Technology Services (BTS) Concepts: Fred Miller**

- Working on Payment Card Industry (PCI) and Personal Identifiable Information (PII) compliance initiatives.
- BTS will seek funding for the Data Center relocation and disaster recovery projects.
- Computer processing capabilities will likely double during the life of the Portland Building Reconstruction Project.
- Mobile processing will need to be addressed.
- BTS plans to renegotiate contracts for cost reduction.

## **Other Items and Announcements**

- IA Rate Study will be discussed on Jan. 5.
- Bureaus will develop more specific concepts for the Jan. 5 meeting discussion.
- A draft of the Budget Advisory Committee report will be distributed at the Jan. 12 meeting.