

OFFICE OF MANAGEMENT & FINANCE



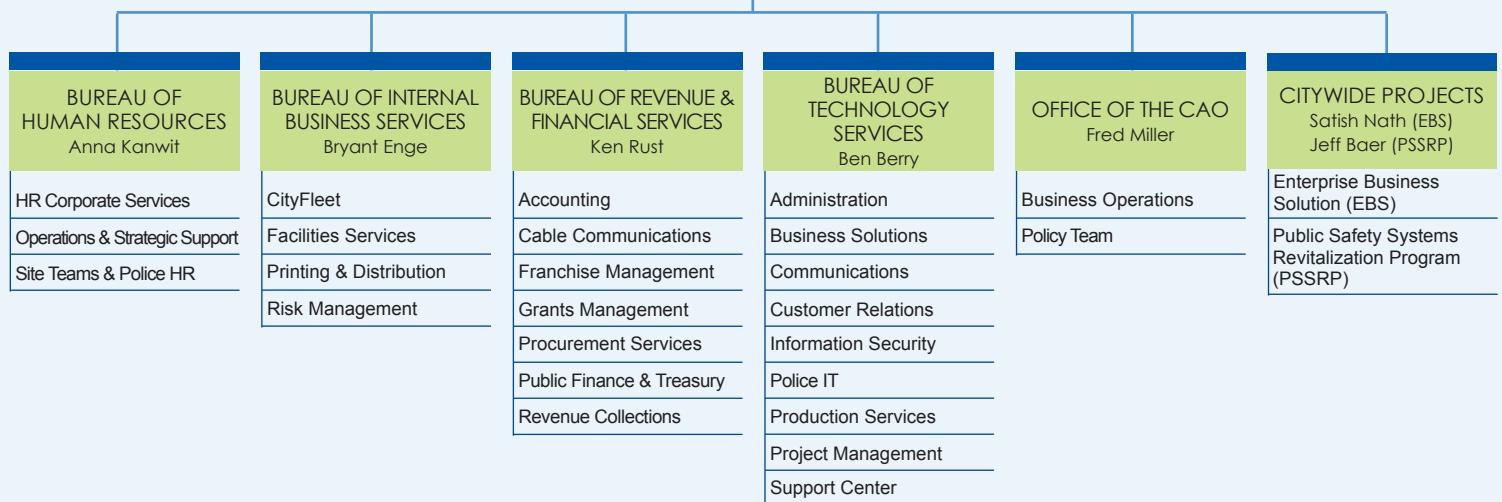
FY 2015-16 BUDGET PRESENTATION
MARCH 31, 2015

Charlie Hales, Mayor
Fred Miller, Chief Administrative Officer

OMF MISSION: To be a trusted partner creating smart solutions for the City and our Community.

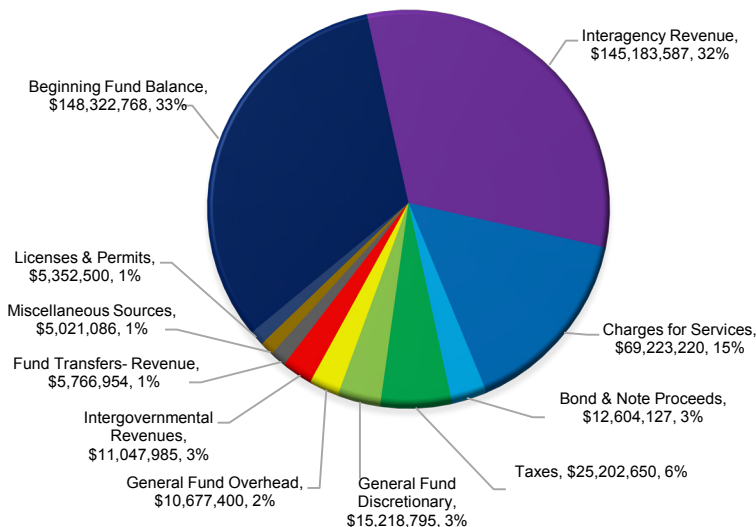
ORGANIZATIONAL STRUCTURE

OFFICE OF MANAGEMENT AND FINANCE
Fred Miller, Chief Administrative Officer

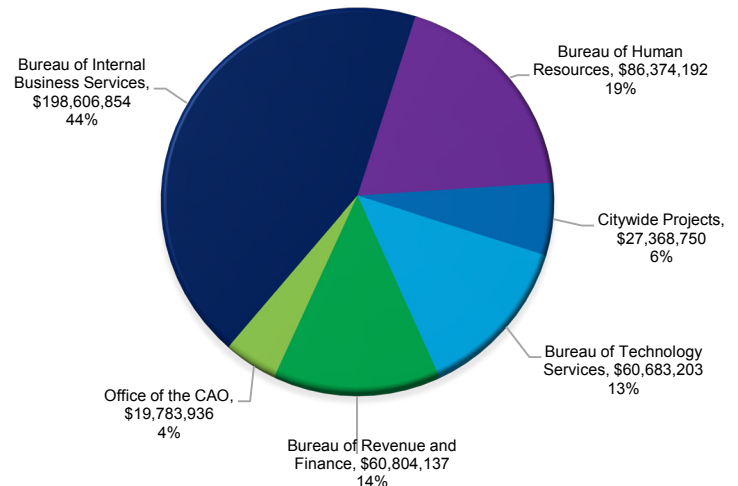


FY 2015-16 OMF BASE BUDGET

RESOURCES



REQUIREMENTS



TOTAL OMF BASE BUDGET: \$453,621,072



WHO WE ARE

Office of the CAO

In addition to Citywide responsibilities and managing the Office of Management & Finance to ensure cost effective administrative and support services, the Chief Administrative Officer is responsible for providing the Mayor and City Council with accurate and timely information and analysis on a wide array of financial and policy issues. This office includes the Business Operations division, Policy team and Spectator Facilities.

Bureau of Human Resources (BHR)

The Bureau of Human Resources is responsible for managing the City's human resources systems, including administrative rules and procedures. It is responsible for assisting bureaus to recruit, develop, and retain a competent and high-quality workforce. The bureau manages employee benefits, payroll, deferred compensation, the Health Insurance Fund, classification and compensation, labor relations, and workforce training. *The FY 2015-16 budget reflects one trainer position moving from EBS.*

Bureau of Internal Business Services (BIBS)

The Bureau of Internal Business Services manages a range of core internal services that are critical to meeting City business needs such as facilities, fleet, printing, and risk management. *The FY 2015-16 budget reflects Procurement Division moving to the Bureau of Revenue and Finance.*

Significant Issues

OMF leadership developed significant issues, which need to be addressed to reduce operational and/or financial risks to the City. These are long-term issues that will likely include partners. Addressing these issues requires attention by decision makers this year and may require a FY 2015-16 budget action. OMF decision packages and the OMF work plan action items reflect these significant issues.

- Data Security/Emergency Preparedness
- Employee Pension Benefits: Retirement Security and Financial Reporting
- Employer of Choice
- Equity and Opportunity
- Property Management/Taking Care of What We Have

Data Security/Emergency Preparedness

The City relies extensively on technology in order to provide critical services to the public. A large scale natural or man-made disaster could result in catastrophic destruction of numerous technology systems that are essential for the ongoing operation of the City. In addition, ensuring the integrity of the systems that keep customer information is essential for public trust.

Employee Pension Benefits: Retirement Security and Financial Reporting

City employees are covered under a pension system managed by the State of Oregon Public Employees Retirement System (PERS). The Individual Account Program (IAP) of PERS imposes significant market risk on participants, which could put their retirement security at risk. The City will need to closely monitor the management of pension benefits under the IAP and work toward making changes in the investment structure of the IAP.

Employer of Choice

The City strives to be the public employer of choice. Components of becoming an employer of choice include Citywide onboarding and an updated classification/compensation system, and both are in progress.

Equity and Opportunity

The City has adopted the Portland Plan and the City requires all bureaus to assess the equity and social impacts of their service delivery, policies and budget requests to identify who benefits and who is burdened, and to help reduce disparities in our community. OMF has specific responsibilities to promote diversity in the City's workforce and in the City's contracting opportunities.

Property Management/Taking Care of What We Have

It is critical for the City to preserve and maintain its property assets. Without regular attention, properties fall into disrepair and end up costing more to fix than it would have cost if they were maintained properly.

OMF Budget Development

Bureau Advisory Committee

The OMF Advisory Committee, which serves as OMF's Bureau Advisory Committee during budget development, provided valuable customer feedback, especially on the funding impacts to other bureau operations and budgets. While the Committee generally supports OMF's decision packages, bureaus had concerns about covering interagency rate increases within their existing budgets. Hearing this, OMF kept requests focused on the most critical needs.

Equity Lens

As ideas developed, an equity lens was used to determine if programs or decision packages make positive strides in creating equitable outcomes, or if they inadvertently burden a particular group. The Equity Assessment Tool was completed with information from each OMF bureau and equity impact statements were included with each decision package.

Customer Focus

OMF has increased the focus on customer needs and business process improvements. In addition, OMF is looking for ways to improve and support customers with existing resources.

The CAO identified a list of current processes that could be improved and work is underway to address these issues. Customer participation has been invited. There are also several information sharing initiatives like the Business Hour group of business and administrative managers from around the City, or the Directors of Small Bureaus meeting. OMF also created the role of OMF navigator to provide a single point of contact to help customers in finding the right person to address a specific need. A Customer Service Survey is currently in process and asks City Bureau Directors to provide specific, qualitative feedback for further follow up by OMF directors and managers.

The FY 2015-16 budget reflects discussions with customers about their needs, the City's needs, and their ability to support increases to services. In addition, OMF is looking for ways to improve and support customers within existing resources.

Decision Packages

Addresses Emergency Preparedness

- Technology Disaster Planning Analyst

Addresses Equity and Opportunity/Supports Employer of Choice

- Citywide Training and Onboarding
- Focusing on Employing Persons with a Disability

Revenue-generating/Supports Revenue Collection

- IRS Data Exchange
- Franchise Agreement Auditor Position
- Legal Services to Support Revenue Collection

Customer Bureaus Support Funding

- DBC Finance Software
- Facilities Maintenance Technician Apprenticeship Program

Realignment Package

- Portland Building Renovation Design Realignment



WHO WE ARE

Bureau of Revenue and Financial Services (BRFS)

The Bureau of Revenue & Financial Services is responsible for revenue collection, financial management services. The bureau is responsible for collecting the business license tax, utility license franchise fees, transient lodging tax, business property management, cable franchise management, and other revenues. It also provides Citywide financial services including accounting, financial reporting, treasury, debt management, grants management, and procurement. *The FY 2015-16 budget reflects Procurement Division joining the bureau.*

Bureau of Technology Services (BTS)

The Bureau of Technology Services provides planning and management of the City's communications related and information technology equipment and systems. The bureau provides expert and cost effective communications and information technology services to the City and regional partners, promoting interoperability. *The FY 2015-16 budget reflects EBS's move to Citywide Projects.*

Citywide Projects

Citywide Projects consists of the Enterprise Business Solution division, managing the City's SAP application, and the Public Safety Systems Revitalization Program, focusing on replacing aging public safety technology systems that support critical Citywide needs. *The FY 2015-16 budget reflects EBS joining Citywide Projects and one trainer to BHR from EBS.*



KEY PERFORMANCE MEASURES

Percentage of Diverse Applicants per Recruitment - Minority

The recruitment value reflects the City's networking and outreach efforts. The percentage of minority applicants is expected to reach 20% in FY 2015-16.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 19% | 21% | 20% | 20% | 20% |

Percentage of Diverse Applicants per Recruitment - Female

The recruitment value reflects the City's networking and outreach efforts. The percentage of female applicants is expected to reach 40% in FY 2015-16.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 37% | 44% | 40% | 40% | 40% |

Business License Tax Gap

The tax gap is the difference between business taxes and fees owed and the amount paid. The number of new businesses has increased as the economy improves. Systematic and sustained collections have held the gap to within an acceptable range.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| \$7.14 | \$7.16 | \$7.24 | \$7.36 | \$7.30 |

City's Unlimited Tax General Bond Rating (1=Aaa)

The City continues to maintain the highest Aaa bond rating.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

Percent of MWESB Hours Worked

The percent of minority and women contractor hours worked on City construction projects is in accordance with the Workforce Training and Hiring goal of 27%.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 22% | 35% | 35% | 22% | 22% |

Percentage of OMF Owned City Facilities Maintained in Good Condition

Facilities Services conducts annual condition inspections of all buildings in the OMF portfolio, which are then rated based on the projected major maintenance and repair cost as compared to the replacement cost of the building. The ratings include poor, fair, and good condition.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 61% | 61% | 61% | 61% | 61% |

Network Availability (Excluding Scheduled Maintenance)

This measures the infrastructure availability that allows the City's workforce to access City technology applications and tools, anytime, anywhere including the use of mobile devices.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 99.96% | 99.96% | 99.96% | 99.96% | 99.96% |

Percent of CityFleet Vehicles that Utilize Alternative Fuel and Hybrid Technology

CityFleet supports the City's sustainability goals and strives to improve air quality, reduce dependence on foreign oil, reduce negative environmental impacts, control costs, and reduce vehicle emissions through a comprehensive Green Fleet Vehicles implementation Program. Use of alternative fuel and hybrid technology vehicles supports these efforts.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 41% | 42% | 45% | 45% | 45% |

Payment Gateway Availability

The payment gateway processes payments for City services such as permits, parking meters, Arts Tax, and water bills.

| Actual | Actual | Yr. End Est. | Base | Target |
|------------|------------|--------------|------------|------------|
| FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2015-16 |
| 99.95% | 99.99% | 99.90% | 99.90% | 99.90% |

