



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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**OMF Funding Methodology Review
Joint OMF Advisory/ Stakeholder Workgroup
Tuesday, June 13, 2017**

OMF Advisory Committee Members: Amy Bowles, PTE 17; Lois Cohen, Public Member; Rebecca Esau, BPS; Robert McCullough, Public Member; Mike Myers, Fire.

Stakeholder Workgroup: Jonas Biery, BES; Jay Guo, Fire; Crystine Jividen, City Attorney's Office; Jeramy Patton, PBOT; Catherine Reiland, Police; Larry Nelson, OMF BHR; Shelli Tompkins, OMF BRFS;

OMF Leadership: Jeff Baer, BTS; Jane Braaten, OMF; Bryant Enge, BIBS; Celia Heron, OMF; Anna Kanwit, BHR; Tom Reinhart, OMF; Ken Rust, BRFS.

Project Staff: Linda Lewis, Facilitator, Framework LLC; Aaron Rivera, OMF.

Subject Matter Experts: Kelly Ball, OMF; Aaron Beck, OMF; Claudio Campuzano, CBO; BRFS; Katie Shifley, CBO, BHR; Larry Pelatt.

This was the initial meeting with the two project stakeholder groups. After a brief project overview (see attached slides) we discussed customer "pain points" or issues with internal services functions under review (Procurement, Human Resources) and workload/demand drivers. Following is a summary of themes emerging from this discussion:

Customer pain points

1. Service levels
 - a. Timeliness. (Examples include delays in getting approvals through Procurement, delays in posting positions, bids.)
 - b. Lack of budget or resources to obtain services.
 - c. Unavailability of desired services (lack of technical assistance for processes bureaus are required to perform, but do infrequently, such as Professional, Technical and Engineering (PTE) contracts.
 - d. Lack of understanding about what is included in the base level of service. Bureaus would like a baseline expressed as an outcome (response in two weeks) rather than an FTE count.
 - e. Lack of understanding about exactly what "buying-up" adds to the base.
2. Processes
 - a. Lack of entry point for help/an identified point of contact.
 - b. Some processes are inefficient, cumbersome (a lot of back and forth on procurements and recruitment/hiring; sometimes valuable advice isn't clear until later than needed.)
3. Parity/fairness
 - a. Some bureaus can afford to buy the services they need; some can't. This creates disparities in service levels. (Bureaus identified that this issue applies not just to OMF examples but also to the Office of Equity and Human Rights.)
 - b. If bureaus can't buy up for services, it creates haves and have nots. We really can't afford to have a bureau left behind.

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

4. Staffing

- a. Lack of flexibility to staff up quickly, or otherwise hire when additional staffing are needed to meet customer demand.
- b. Positions that are “purchased” by bureau Interagency Agreements (IA’s) for dedicated service at times seem to result in a bureau perception that they are losing the “base” level service.

5. Citywide issues

- a. Ability to hire. The City is expanding to address infrastructure and other issues, and will need to address succession planning for anticipated retirements. This will place a huge strain on HR/recruitment. The City will need to hire people, and it is not clear it will be able to. The current funding model is not sustainable.
- b. Bureau-funded model creates siloes. The City does not take a broad look at what it needs to support Human Resources, Procurement functions. These functions should be funded to provide a baseline level of service.
- c. Organizational culture. Billing each other back and forth creates walls and animosity. A common set of goals and service levels would greatly reduce that.
- d. Forecasting to look for cooperative opportunities. There needs to be a mechanism to communicate to (BHR and Procurement, others) bureau needs well ahead of time.
- e. Lack of a citywide focus to group together bureaus with common needs. (Example would be pre-qualifying a diverse vendor pool we could all access.)

What drives the need for HR, Procurement Services?

- Large projects. Need to plan better for larger projects. We know what they are, and have a long-term plan. An example would be the housing bond.
- Complexity. IT procurements were specifically called out as being complex involving several aspects of legal review needed, including outside legal counsel.
- Regulatory changes (example, for affordable housing).
- Policy changes (new policies or changes to existing policies).
- Transportation funding for capital improvements. Local gas tax increase. Build Portland. (We are forecasting as if the work will be done; may not be?)
- Infrastructure backlogs. Bureaus are trying to catch up. An example would be the Parks bond.
- Budget cycle. Budgets are approved each June, and bureaus rush to fill new positions as soon as possible in July and August. Bureaus rush to get contracts in place before fiscal year end in June.
- Cascading vacancies. If a bureau makes an internal hire, it sets off a series of needed recruitments before they finally bring more resources onboard.

Next steps

- Consultant will summarize findings from review of current funding methodologies and will review and summarize best practices.
- Stakeholder Workgroup meets on June 27th to discuss findings, best practices, and to begin to identify options.