

City Organization Council Work Session

Tuesday, Oct. 31, 2023



Portland Transition

Voter approved.
Community centered.
City delivered.





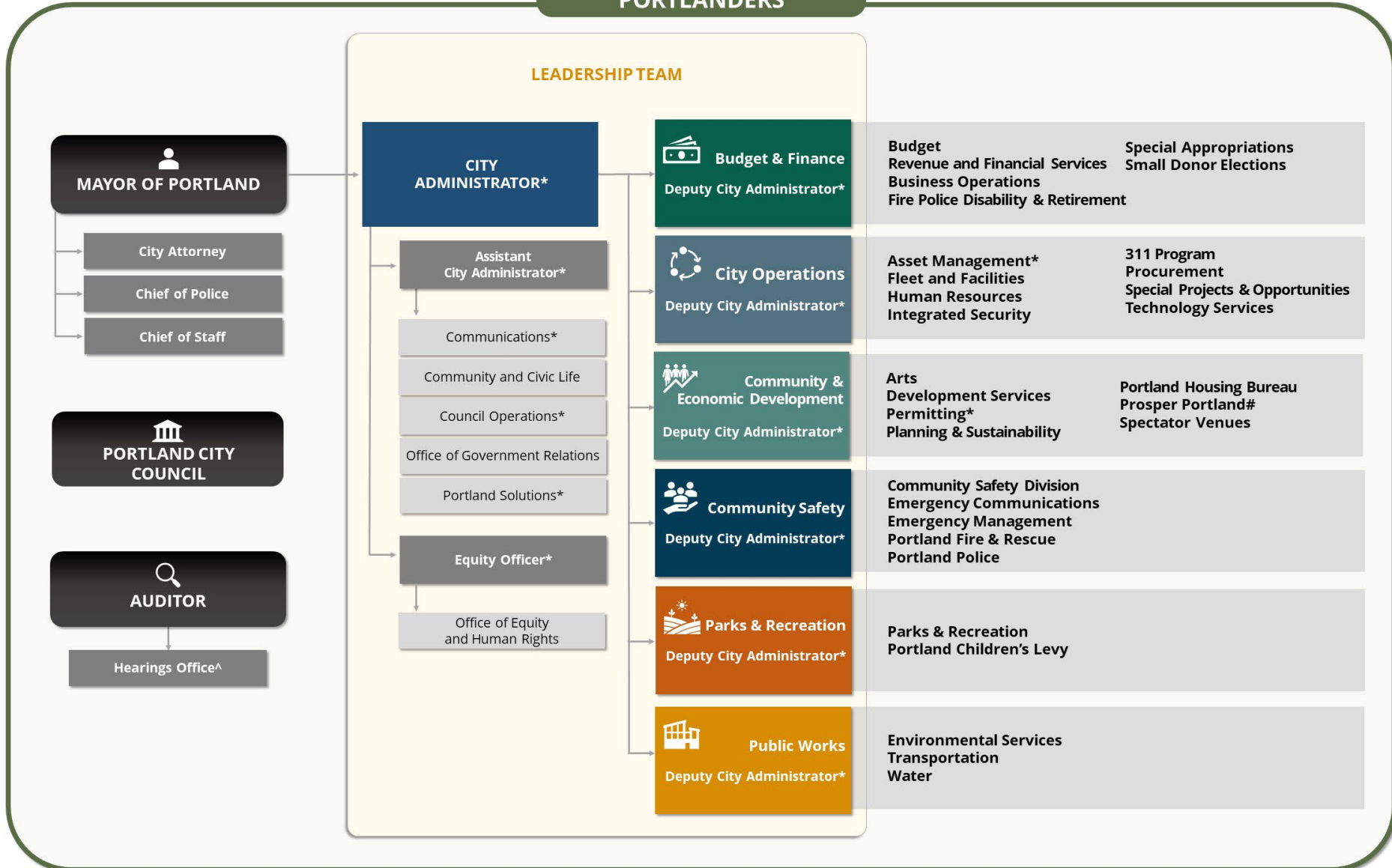
AGENDA

TOPICS	SPEAKERS
Mayor's Opening Remarks	Mayor Wheeler
Council Discussion	Council
Review of Proposed Organizational Structure	Michael Jordan
Council Discussion	Council
Fiscal Impacts & Funding Options Overview	Tim Grewe & Ruth Levine
Council Discussion	Council
Next Steps: Budget Process	Tim Grewe

Exhibit A

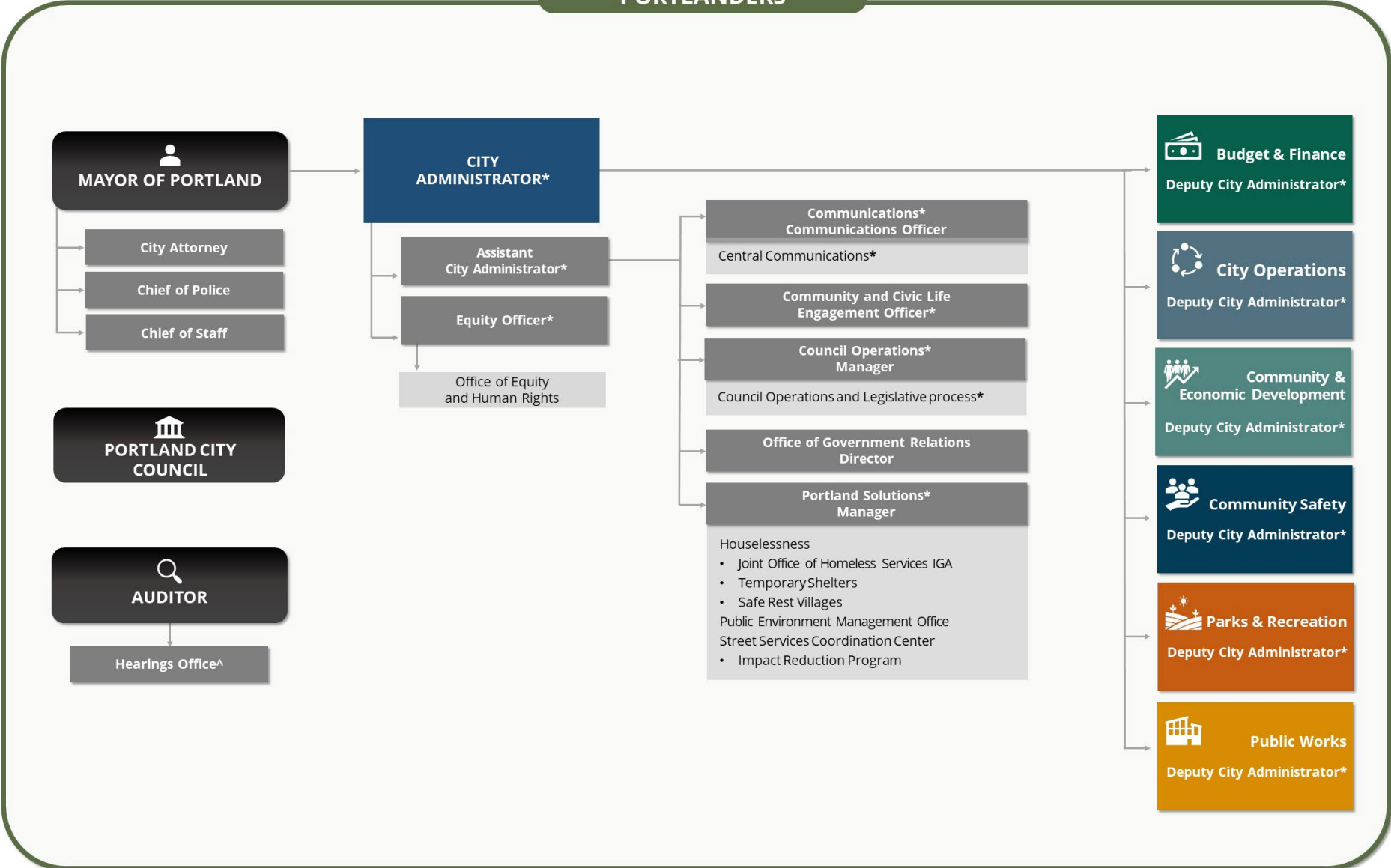


CITY OF PORTLAND, OREGON Proposed Organizational Chart CITY ORGANIZATION



Key

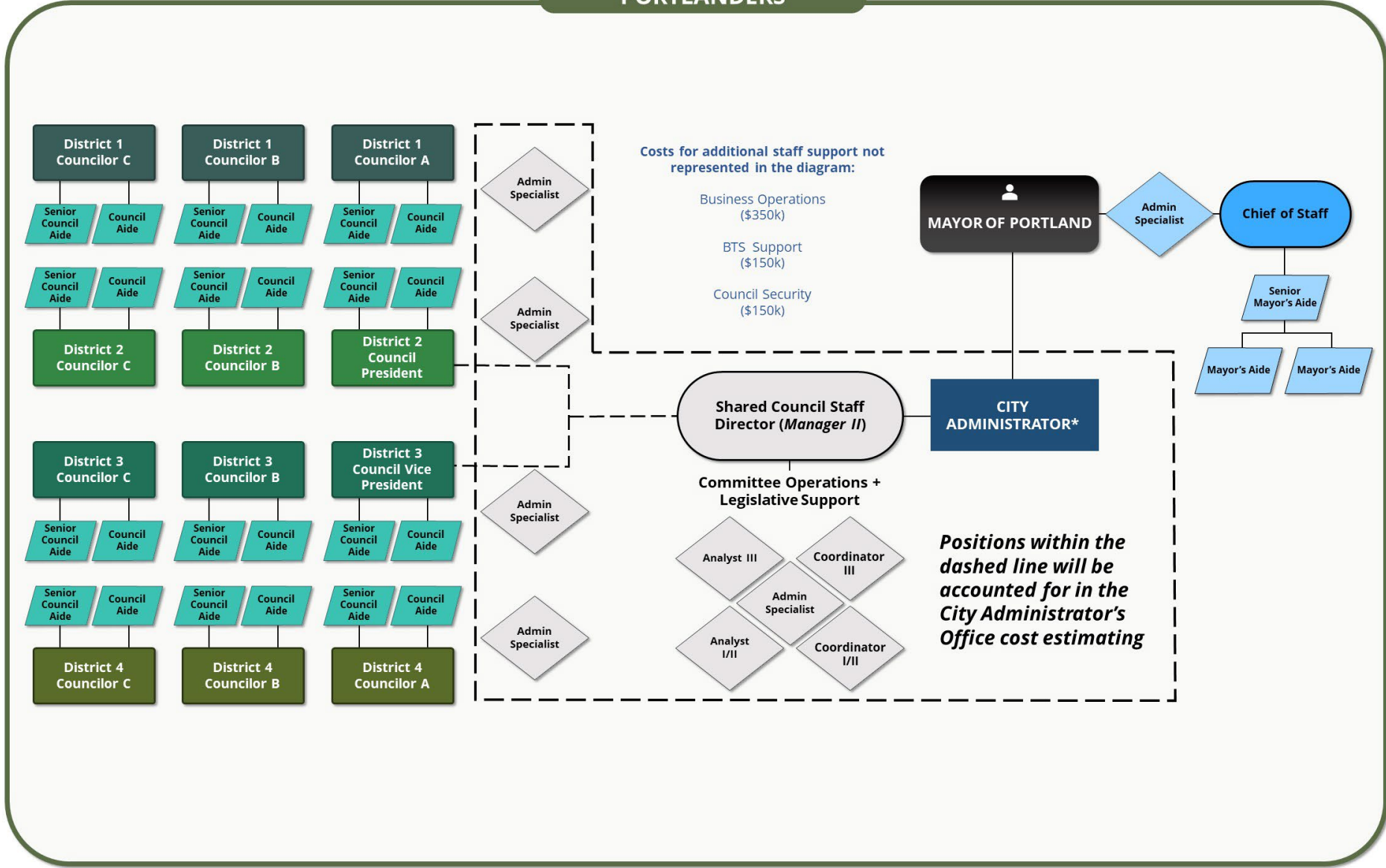
- * New program/function pending ongoing assessments
- # Reports to the Prosper Portland Commission
- ^ Return pending budget approval



Key
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CITY OF PORTLAND, OREGON
Proposed Organizational Chart
 Elected Officials and Operational Support Staffing
for Portland's Mayor-Council Form of Government





Fiscal Impacts of Organizational Structure Change

City Budget Office

Introduction

Costs of Organizational Structure

- Review what was included & excluded in the fiscal impact analysis
- Summary of costs

Overview: Funding Options for New Organizational Structure

- How might new costs be paid for?
- Examples

Next Steps

Fiscal Impact Analysis

Included



- New functions within the new form of government (e.g. City Administrator)
- Items clearly related to the charter reform (e.g. Deputy City Administrators)
- Enough information to estimate costs
- Ongoing staffing and materials and services costs

Excluded



- Functions that already exist (e.g. Bureaus being organized under a new service area)
- Changes that would have happened anyways (e.g. single permitting entity)
- Decisions that still need to be made to understand impacts (e.g. Asset management)
- One-time costs related to transition

Cost Estimates

Total Costs of Proposed New Structure (Fiscal Year 2023-24 Dollars)

Elected
Offices &
Operational
Support

City Council: \$8.4 million for 12 council members, 12 senior council aides, and 12 council aides. Includes business operations.

Mayor's Office: \$2.6 million for Mayor plus 5 staff. Includes security.

Auditor's Office: \$1.5 million for voter education and staff to manage the elections and business for the expanded city council.

All estimates include internal and external materials & services costs associated with each position.

Cost Estimates (Fiscal Year 2024-2024 \$)

City
Administrator's
Office &
Leadership Team

City Administrator: \$0.8 million for Administrator + administrative specialist

Council Operations: \$2.2 million for 4 district staff, 6 shared committee staff

Assistant City Administrator: \$0.3 million

Centralized Business Operations: \$1.6 million for 6 staff

Central Communications: \$1.6 million for 7 staff, including officer position

Equity Officer position: \$0.4 million

Engagement Officer: \$0.3 million

Deputy City Administrators: \$4.1 million for 6 deputy city administrator positions and 6 administrative specialists

Cost Estimates

Total Costs of New Organizational Structure (Fiscal Year 2023-24 Dollars)



Funding Options



Reallocate Existing
Funding



Direct Specific
Bureaus to Fund the
New Costs in their
Budgets



Submit a Decision
Package for the
Charter-Related
Item in the
Requested Budget



Add New Costs to
Overhead,
Absorbed by
Various Funds

Examples of Funding Options

Reallocate Existing Funds

- Identify funded positions (vacant or filled) and repurpose those funds.
- **Example:** Chief Administrative Officer funding could support new leadership role.

Direct Bureaus to Fund Within their Budget

- Bureaus absorb costs within their current allocation by reprioritizing other expenses or identifying other revenue.
- **Example:** Bureaus within a service area could be directed to fund the Deputy City Administrator position overseeing their service area without additional resource.

Submit a Decision Package

- Submit a request in the Requested Budget; significant new resource not anticipated.

Add to Overhead

- New costs are added to Current Appropriation Levels and absorbed by various funds based on overhead model.
- General Fund forecast assumes added costs & may drive necessary reductions.
- **Example:** City Administrator, which benefits all bureaus, could be added to overhead.

Overhead Model

- This model determines how the costs of city overhead functions – as directed by financial policy – are allocated across the City.
- Most (not all) positions proposed in organizational chart meet financial policy to be added to overhead.
- Allocation metrics are based on total FTE, budget & actuals by fund.

For every dollar added to Overhead...

General Fund absorbs 43%

PBOT Transportation Operating Fund absorbs 13%

BES Sewer Operating Fund absorbs 13%

Water Fund absorbs 9%

Fleet, Facilities & Technology Funds absorb 8% (and pass through via IA rates paid by customer bureaus)

Development Services Fund absorbs 4%

All other funds absorb 9% in total

Note: All City funds are represented here. Allocation metrics may change slightly before they are adopted for FY2024-25

Example

Total Costs to be Funded = \$13 million

Reallocate positions totaling, for example, \$2.5 million

Direct specific bureaus to fund, for example, \$3 million

Request Decision Packages for costs totaling, for example, \$1.5 million

Remainder to allocate to overhead = \$6 million

Next Steps

