

February 2019

# City of Portland, Oregon

Office of Management & Finance

## FY 2019-20 Requested Budget



**Mayor Ted Wheeler**  
Commissioner-in-Charge

**Tom Rinehart**  
Chief Administrative Officer





Office of Mayor Ted Wheeler  
City of Portland

To: Commissioner Chloe Eudaly  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Jo Ann Hardesty  
Auditor Mary Hull Caballero

From: Mayor Ted Wheeler

Date: February 4, 2019

Subject: FY 2019-20 Office of Management & Finance Requested Budget

I am pleased to present to you the Office of Management & Finance (OMF) Requested Budget for FY 2019-20.

The City of Portland's FY 2019-20 Requested Budget process has incorporated several systems and procedural changes for how bureaus develop requested budgets. Most notably, the process for allocating resources to bureaus has changed significantly. New this year, City Council members are charged with directing bureaus to submit requests for additional resources through a formalized process referred to as Directions to Develop. This resource allocation process began in December 2018 and a Direction to Develop can be issued until April 11, 2019. This process change creates a solution for aligning bureau resource allocations with City Council's priorities. OMF's Requested Budget includes Directions to Develop that were issued on, or prior to, January 18, 2019.

With the submission of this Requested Budget, OMF responded to my guidance to submit a one percent reduction and has identified efficiencies in General Fund programs to meet that one percent reduction requirement. Additionally, OMF has been asked to move forward and create decision packages for 18 proposed Directions to Develop. OMF's proposed packages are included in this Requested Budget.

OMF's FY 2019-20 Directions to Develop present proposed service offerings that address critical City issues, support customer bureau operations, and enhance service provisions to our community members. Through this budget development process, OMF consulted customers including the OMF Advisory Committee (which serves as OMF's Budget Advisory Committee during the budget development season) and City leaders to develop solutions to enterprise issues.

This Requested Budget represents OMF's ongoing pursuit of enterprise solutions on behalf of City bureaus and our community members.

Thank you for your consideration.



Mayor Ted Wheeler



**Tom Rinehart**  
Chief Administrative  
Officer

**Ted Wheeler**  
Mayor

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**Office of Management  
and Finance**  
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February 4, 2019

TO: Mayor Ted Wheeler  
Commissioner Chloe Eudaly  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Jo Ann Hardesty

FR: Tom Rinehart, CAO *TR*

CC: OMF Leadership Team

RE: OMF FY 2019-20 Requested Budget

I am pleased to provide you with OMF's FY 2019-20 Requested Budget. I look forward to discussing our program offers and answering any questions you and your staff have about our work.

Portland is steadily evolving into a large city and our internal service delivery needs to evolve with it. To this end, we are working diligently in OMF to update and strengthen our systems. Our 2018-2020 Strategic Plan focuses on modernizing our services on behalf of the community and this budget is aligned with the plan.

### **OMF Directions to Develop**

OMF was directed to develop plans for a variety of projects or initiatives, from providing a Citywide fund to accommodate employees living with a disability to implementing an integrated tax system that will improve our ability to collect revenue owed to the City and County. A number of the Directions to Develop are in support of the reconstructed Portland Building to ensure we preserve this major community investment for decades to come.

### **OMF Budget Note**

City Council directs the City Budget Office to transfer \$100,000 from Build Portland resources on an ongoing basis to fund Build Portland program administration and service costs within the Office of Management & Finance. These costs include internal and external costs related to branding, outreach, coordination and costs related to the administration of the program, which could grow with future project phases.



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## **OMF Significant Issues**

### Modernizing technology to advance 21st century business solutions

The City must maintain a sufficient and modernized level of technology to streamline services for community members and the workforce. As new and reconstructed facilities come online, technology standards must be maintained to enable efficient and productive work environments. To this end, the Bureau of Technology Services (BTS) is modernizing two enterprise technology platforms. First is the reconfiguration of the City's website, known as the Portland Oregon Website Replacement project (POWR). POWR creates an opportunity to deploy a community-oriented website where residents and visitors can easily and effectively access City information and services, regardless of language, ability, or resources. Another is the Portland Online Permitting System (POPS). Upon project completion, POPS will support enterprise business needs by allowing stakeholders to conduct electronic permitting through a modernized system that will expedite the permitting process. The Bureau of Revenue and Financial Services is developing a new Integrated Tax System (ITS), which will replace multiple legacy tax collections systems and increase compliance by integrating with other databases. In FY 2019-20 and beyond, we are committed to providing technology solutions to improve our service delivery for a growing city.

### Planning for adequate employee work space

From 2010 to 2017, Portland's population grew 11 percent and is projected to add tens of thousands of residents during the next five years. The City's infrastructure and workforce must keep up with this growth to meet the service demands of these additional residents. Limited opportunities to expand employee workspace in existing buildings has hampered bureaus' ability to co-locate employees and has intensified the dependence on leased space in the downtown core. The Portland Building Reconstruction project utilizes the Space Optimization plan (Resolution 37274) to mitigate space needs through a standardized, flexible furniture system. Prior to reconstruction, the Portland Building housed 1,332 employees. By fully utilizing space and modernizing our office furniture through this process, the Portland Building will have capacity to accommodate approximately 1,740 employees when fully occupied. As other City facilities are constructed, renovated, or built-out for leasing, execution of the space optimization plan will minimize costs and enable us to channel more dollars to other needs.

### Maintaining public infrastructure and assets

The City of Portland owns billions of dollars' worth of assets including buildings, vehicles, roads, pipes, technology, property and natural areas. Major maintenance funding among the City's buildings has long been insufficient to preserve our assets for the next generations. OMF's newly created Division of Asset Management is developing an asset management plan to shift our approach to focus more on preventative maintenance to lower the long-term costs of our assets.

### Long-Term Financial Planning

The City must take proactive steps to maintain its long-term fiscal health. Over the next several years, the City will have to address numerous long-term financial obligations including the Portland Harbor cleanup, collective bargaining agreements, PERS increases, the Columbia River Levee project, and deferred maintenance on critical infrastructure. OMF and customer bureaus will adopt policies that demonstrate a commitment to long-term liabilities requiring ongoing reserves and increased infrastructure investments.

Impact of recession

Economists forecast that a recession is likely in the latter half of 2019 or early 2020. Due to the expansion of ongoing revenue commitments over the past several budgets, a recession would result in decreased revenues, capital investments, and would drastically decrease the City's fund reserves. Despite the anticipated decline in economic position, the City of Portland has a responsibility to continue core services for a growing community. We face difficult choices and trade-offs as resources will be constrained.

We look forward to working with each of you and your staffs to address these issues on behalf of all Portlanders.





**Tom Rinehart**  
Chief Administrative  
Officer

**Ted Wheeler**  
Mayor

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## **OMF Budget Advisory Committee Report FY 2019-20 Budget Process**

### **About the OMF Budget Advisory Committee**

The Office of Management & Finance (OMF) implemented an Advisory Committee in 2006 comprised of customers and stakeholders. The committee includes two community members, six non-OMF bureau directors, two Mayor/Commissioner staff members, and one labor representatives (membership list follows). Chaired by OMF's Chief Administrative Officer, the committee meets to advise OMF on projects and programs, customer service issues, and budget decisions. The Advisory Committee convenes as OMF's Budget Advisory Committee (BAC) during the budget process.

### **Committee Process**

A revamped OMF Advisory Committee welcomed new members in August 2018. This committee serves as an enterprise advising body to OMF and serves as its BAC during the budget development process. In September 2018, members provided feedback to OMF regarding a new budget development process using Program Offers and encouraged the identification of Citywide priorities earlier in the budget development process. In November and December 2018, the OMF Advisory Committee heard OMF's budget priorities and was presented with drafts of OMF's Directions to Develop. During this time, the Mayor released budget guidance, instructing General Fund bureaus to seek efficiencies and develop a constraint budget equal to 99% of its Current Appropriation Level (CAL). In January 2019, the OMF Advisory Committee was presented with an updated list of OMF Directions to Develop, along with financial impacts of each directive. The Mayor's Office instructed OMF to develop a number of Directions to Develop in support of the reconstructed Portland Building prior to OMF's FY 2019-20 Requested Budget submission.

The OMF BAC recognizes directives discussed in this report were issued prior to OMF's requested budget submission and is aware that Council could direct OMF to develop additional directions after the requested budget is submitted on Monday, February 4, 2019.

The following contains feedback from the OMF Advisory Committee to OMF regarding OMF's FY 2019-20 Requested Budget.



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## **OMF Directions to Develop supported by the BAC**

The OMF BAC reached consensus on four directives:

- Ongoing General Fund to maintain current revenue collection levels
- Cybersecurity insurance policy
- Facilities Dispatch and Maintenance Technicians in support of the reconstructed Portland Building
- Facilities Security Manager

The OMF BAC supports the Revenue Division's ability to retrieve every dollar owed to the City. Maintaining General Fund revenue collection is needed on an ongoing, permanent basis. Unions support permanent funding for the Revenue positions, as serial one-time funding disrupts employee morale.

Cybersecurity insurance is important as many government agencies are experiencing exposure from ransomware, malware, and phishing scams. There is uncertainty regarding when and how the City may be impacted by a threat and how much it will ultimately cost. In 2018, the City of Atlanta spent over \$2.7 million to recover data and restore essential services stemming from a cybersecurity attack. The City of Portland should learn from the Atlanta cyberattack by transferring the risk of protecting our information and assets through insurance.

The OMF BAC supports OMF's directive for the Facilities Security Manager position to become permanent as well several Dispatch and Facility Maintenance Technicians to provide operations and maintenance of the reconstructed Portland Building. The Security Manager provides oversight of security measures across City bureaus and provides support for City Council meetings. This position is responsible for investigating instances of workplace violence, employee theft, and facilitates meetings of the Citywide Security Stakeholder Steering Committee.

OMF's FY 2019-20 Requested Budget includes several decision packages needing General Fund resources for implementation. The OMF BAC is concerned with General Fund adds creating a possible ripple effect on costs, as some bureaus pay direct fees to the City's General Fund.

## **Portland Building Directives**

The Portland Building is the most prominent category of OMF's directives for FY 2019-20. OMF was directed to develop four considerations to enhance service provisions within the reconstructed Portland Building. The Portland Building Reconstruction project began in October 2015 for a guaranteed maximum price of \$195 million. The original scope did not include costs for ongoing operations and maintenance of the reconstructed facility.

Other Portland Building directives include:

- Resources for several new positions that provide increased customer service for centralized programs
- Technology operations, maintenance, and replacement

- Appliance and furniture replacement
- A second childcare facility

The OMF BAC recognizes a need for resources to run and maintain the reconstructed Portland Building. Concerns surrounding Portland Building directives are related to associated Facilities Services rate increases and building services not being available for employees that will not work in the Portland Building. The City will transition to a blended downtown office rental rate beginning in FY 2020-21. Deployment of blended office rates will create a scenario where downtown tenant bureaus pay the same rate for office space, regardless of location. Rate increases could be alleviated by issuing longer lifetime replacement cycles for appliances, furniture, and technology, or by adjusting bureau appropriations to fund these amenities.

### **Integrated Tax System (ITS) Implementation**

Revenue's Integrated Tax System (ITS) replacement will replace multiple legacy, internally developed tax applications in the Revenue Division that are rapidly approaching end-of-life. Revenue anticipates a new ITS will provide administration of Modernized eFiling, streamline customer service and process improvements, and increase taxpayer compliance rates through direct integration with Federal Tax Information. The OMF BAC recognizes a need to replace the system but there are concerns with costs of implementing the system. OMF should consider exploring revenue sharing models with private sector stakeholders as a method to decrease costs of this directive.

#### OMF Advisory Committee members

**Lois Cohen**, Public Member  
**Michael Cox**, Chief of Staff, Mayor Wheeler  
**Rebecca Esau**, Director, Bureau of Development Services  
**Michael Jordan**, Director, Bureau of Environmental Services  
**Mike Myers**, Chief, Portland Fire & Rescue  
**Robert McCullough**, Public Member  
**Danielle Outlaw**, Chief, Portland Police Bureau  
**Suk Rhee**, Director, Office of Community & Civic Life  
**Sonia Schmanski**, Chief of Staff, Commissioner Fish  
**Chris Warner**, Director, Portland Bureau of Transportation  
**Rachel Whiteside**, PTE17

#### OMF Leadership

**Carmen Merlo**, Deputy Chief Administrative Officer, Office of Management & Finance  
**Tom Rinehart**, Chief Administrative Officer, Office of Management & Finance



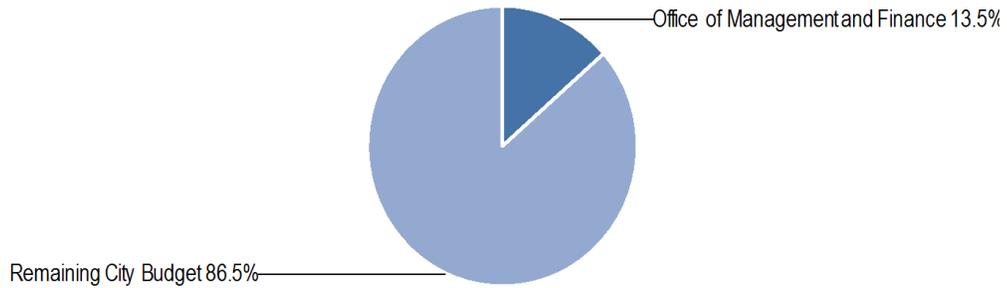
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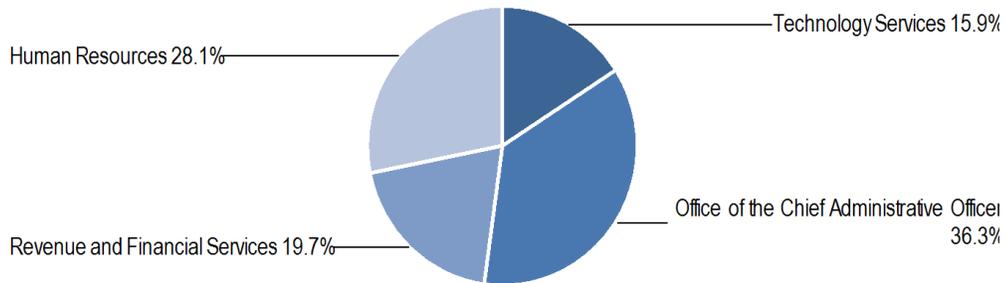
# Office of Management and Finance

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**Percent of City Budget**

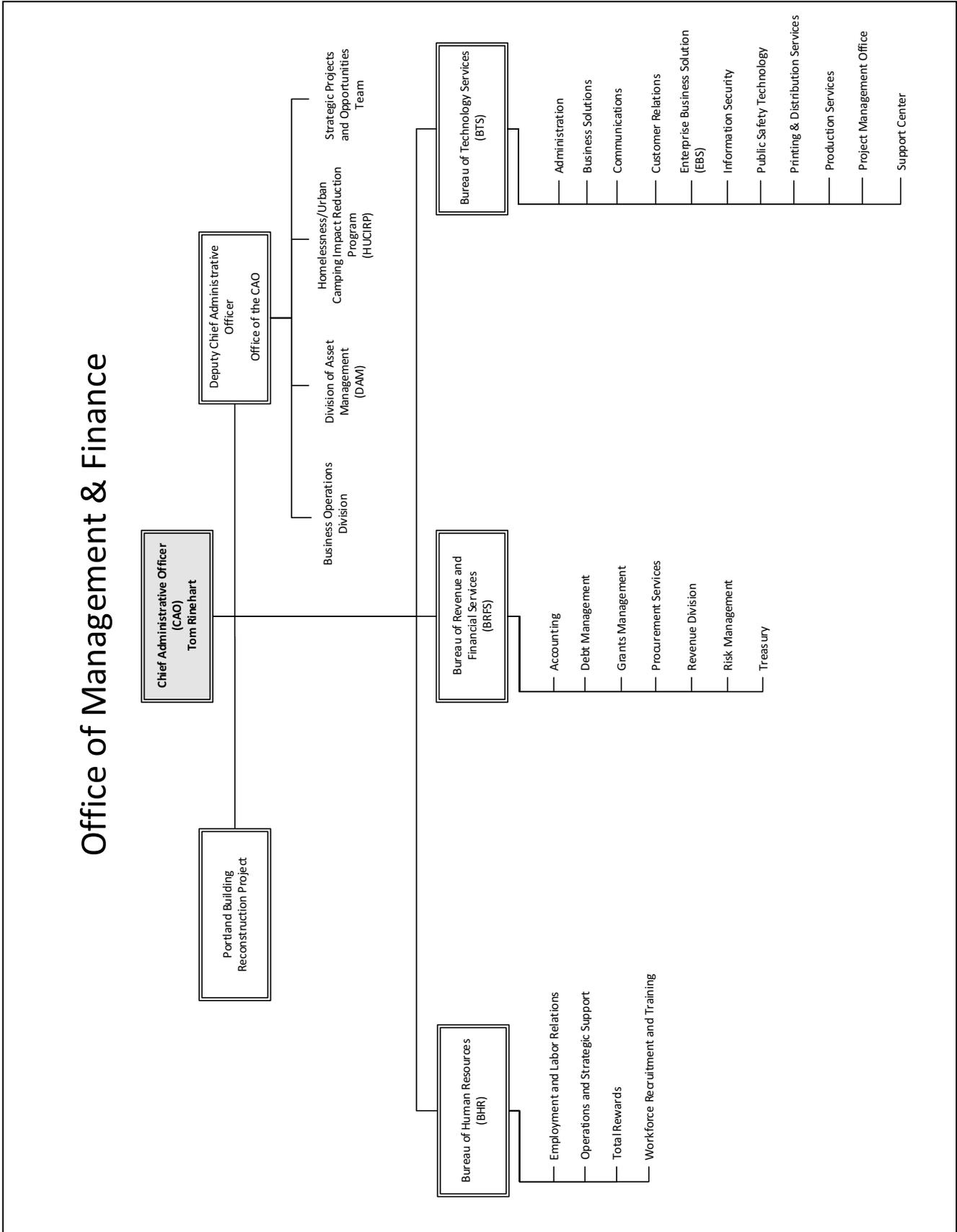


**Bureau Programs**



**Bureau Overview**

Requirements	Revised FY 2018-19	Requested FY 2019-20	Change from Prior Year	Percent Change
Operating	579,364,799	627,957,045	48,592,246	8.39
Capital	135,567,244	114,877,509	(20,689,735)	(15.26)
<b>Total Requirements</b>	<b>714,932,043</b>	<b>742,834,554</b>	<b>27,902,511</b>	<b>3.90</b>
Authorized Positions	673.60	722.60	49.00	7.27



## Bureau Summary

### Bureau Mission

To deliver excellent services through our leadership, expertise, and innovation.

### Bureau Overview

#### Services to the City

The Office of Management & Finance (OMF) is overseen by the City's Chief Administrative Officer (CAO) and provides core central services necessary for the operation of the City of Portland government. OMF consists of the bureaus of Human Resources, Revenue & Financial Services, and Technology Services. It also includes Citywide Projects and the Office of the Chief Administrative Officer, which includes the Business Operations Division, CityFleet, Facilities Services, Strategic Projects and Opportunities Team, Spectator Venues and Visitor Activities, and the Homelessness and Urban Camping Impact Reduction Program. OMF also provides services to other government agencies including the public safety radio system, Integrated Regional Network Enterprise (IRNE), Regional Justice Information Network (RegJIN), Multnomah County Business Income Tax collection, Fleet, and Printing & Distribution. Additionally, Printing & Distribution provides services for Multnomah County, State of Oregon, Metro, Portland Development Commission, Housing Authority of Portland, and Local Neighborhood Associations. The bureau is guided by the 2018-2020 Strategic Plan which identifies organizational strategies and tactics to focus OMF efforts, provides customers and partners a way to see the organization's priorities, and acts a tool to hold OMF accountable.

#### Summary of Resources

The office is funded through a combination of resources. Just under half of its funding is from interagency charges to other City bureaus. Interagency revenue primarily includes charges from Technology Services, CityFleet, Facilities Services, Printing & Distribution, and Risk Management. In FY 2019-20, 3.3% of the office's budget is funded through General Fund resources, mainly to fund portions of the Bureau of Human Resources, Revenue & Financial Services, and the Office of the CAO. Other resources include General Obligation (GO) Bond proceeds for the Public Safety GO Bond, user fees for the Spectator Venues and Visitor Activities Fund, and payroll charges for the Health Insurance Fund. The Bureau of Revenue & Financial Services receives some interagency revenues for Debt Management and recovers costs for Treasury through a reduction in interest earnings distributed to bureaus. Many internal service funds also serve outside agency customers.

### Strategic Direction

OMF Strategic Plan strategies include the following:

- ◆ **Developing an inclusive, talented workforce:** Diversity and inclusion initiatives, continuity of operations planning, and succession planning all point to a need for robust cross-training and professional development opportunities among our OMF employees. OMF will implement strategies within the organization, as well as share information and opportunities with other bureaus.
- ◆ **Leading Citywide initiatives:** City Council and bureau directors rely on OMF to share its Citywide perspective to implement Citywide initiatives and evaluate and advise them on policy and business decisions. Because of this Citywide perspective, OMF will serve as a convener to lead projects and work teams.
- ◆ **Adopting 21st century business solutions:** Portland is a growing community, and bureaus are growing and changing to meet the community's needs. OMF will work with stakeholders to innovate and adapt our business processes and systems to better serve the City.

The OMF 2018-20 Strategic Plan can be found at <https://www.portlandoregon.gov/omf/75548>.

### Major Issues

OMF has cross-bureau responsibilities, an enterprise perspective and will continue to lead with recommended solutions to make the City work better. The following issues must be addressed to minimize operational and financial risks to the City.

**Modernizing technology to advance 21st century business solutions:** The City must maintain a sufficient and modernized level of technology to streamline services for community members and the workforce. As new and reconstructed facilities come online, technology standards must be maintained to enable efficient and productive work environments. To this end, the Bureau of Technology Services (BTS) is modernizing two enterprise technology platforms. First is the reconfiguration of the City's website, known as the Portland Oregon Website Replacement project (POWR). POWR creates an opportunity to deploy a community-oriented website where residents and visitors can easily and effectively access City information and services, regardless of language, ability, or resources. Another is the Portland Online Permitting System (POPS). Upon project completion, POPS will support enterprise business needs by allowing stakeholders to conduct electronic permitting through a modernized system that will expedite the permitting process. The Bureau of Revenue and Financial Services is developing a new Integrated Tax System (ITS), which will replace multiple legacy tax collections systems and increase compliance by integrating with other databases. In FY 2019-20 and beyond, we are committed to providing technology solutions to improve our service delivery for a growing city.

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reconstruction, the Portland Building housed 1,332 employees. By fully utilizing space and modernizing our office furniture through this process, the Portland Building will have capacity to accommodate approximately 1,740 employees when fully occupied. As other City facilities are constructed, renovated, or built-out for leasing, execution of the space optimization plan will minimize costs and enable us to channel more dollars to other needs.

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	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20
<b>Resources</b>					
<b>External Revenues</b>					
Taxes	30,403,126	35,256,314	37,086,000	36,166,000	36,166,000
Miscellaneous Fund Allocations	0	0	(4,970,376)	0	0
Licenses & Permits	5,452,767	5,641,089	7,324,901	6,236,066	6,236,066
Charges for Services	73,230,450	127,909,430	140,845,019	139,557,649	140,027,149
Intergovernmental	10,788,097	10,277,777	12,276,924	12,938,845	12,938,845
Bond & Note	23,707,364	46,632,364	92,370,373	31,609,830	33,941,925
Miscellaneous	14,308,247	9,188,769	6,723,374	86,414,959	86,414,959
<b>Total External Revenues</b>	<b>157,890,051</b>	<b>234,905,744</b>	<b>291,656,215</b>	<b>312,923,349</b>	<b>315,724,944</b>
<b>Internal Revenues</b>					
General Fund Discretionary	14,316,075	15,932,080	17,179,493	12,608,112	26,871,083
General Fund Overhead	10,661,968	11,139,615	11,257,092	11,391,013	12,643,473
Fund Transfers - Revenue	4,417,059	4,050,576	5,122,404	8,554,591	21,057,608
Interagency Revenue	150,378,800	168,275,279	167,737,977	170,834,694	175,229,343
<b>Total Internal Revenues</b>	<b>179,773,902</b>	<b>199,397,550</b>	<b>201,296,966</b>	<b>203,388,410</b>	<b>235,801,507</b>
Beginning Fund Balance	185,650,048	186,851,474	221,978,862	191,308,103	191,308,103
<b>Total Resources</b>	<b>\$523,314,001</b>	<b>\$621,154,768</b>	<b>\$714,932,043</b>	<b>\$707,619,862</b>	<b>\$742,834,554</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	77,424,968	81,476,036	89,924,682	93,122,097	99,683,953
External Materials and Services	184,241,876	245,446,012	297,007,422	276,499,140	285,035,705
Internal Materials and Services	26,539,374	28,795,314	27,289,711	24,982,771	28,373,840
Capital Outlay	16,982,317	26,906,788	114,209,116	80,021,314	93,078,017
<b>Total Bureau Expenditures</b>	<b>305,188,535</b>	<b>382,624,151</b>	<b>528,430,931</b>	<b>474,625,322</b>	<b>506,171,515</b>
<b>Fund Expenditures</b>					
Debt Service	22,155,393	9,900,012	22,070,813	20,190,479	21,340,043
Contingency	0	0	142,286,565	193,192,118	195,711,053
Fund Transfers - Expense	5,851,899	7,473,515	10,824,100	19,611,943	19,611,943
<b>Total Fund Expenditures</b>	<b>28,007,292</b>	<b>17,373,527</b>	<b>175,181,478</b>	<b>232,994,540</b>	<b>236,663,039</b>
Ending Fund Balance	190,118,174	218,783,000	11,319,634	0	0
<b>Total Requirements</b>	<b>\$523,314,001</b>	<b>\$618,780,678</b>	<b>\$714,932,043</b>	<b>\$707,619,862</b>	<b>\$742,834,554</b>
<b>Divisions</b>					
Bureau of Revenue & Financial Services	72,087,626	76,118,706	91,749,814	85,820,816	99,696,781
Office of the Chief Administrative Officer	84,985,361	114,901,102	203,642,674	167,535,097	183,684,631
Human Resources	69,927,402	124,296,111	146,314,746	141,012,586	142,390,980
Technology Services	68,601,349	67,444,063	86,707,965	80,256,823	80,399,123
Internal Business Services	68,046	(135,831)	15,732	0	0
Citywide Projects	9,514,140	0	0	0	0
<b>Total Divisions</b>	<b>\$305,183,924</b>	<b>\$382,624,151</b>	<b>\$528,430,931</b>	<b>\$474,625,322</b>	<b>\$506,171,515</b>

This table summarizes project expenses by capital programs.

Bureau Capital Program Project	Prior Years	Revised FY 2018-19	Requested FY 2019-20	Capital Plan				5-Year Total
				FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
<b>BTS</b>								
Cherwell Capability Expansion	1,292,035	341,936	468,600	489,000	182,400	182,400	182,400	1,504,800
Enterprise Mobility Management	227,185	558,517	300,000	0	0	0	0	300,000
Enterprise Network Technology Refresh	5,655,083	369,492	419,900	218,900	221,000	176,000	0	1,035,800
I-Net Capital Improvements	0	0	500,000	0	0	0	0	500,000
IRNE Construction - Fiber	926,209	477,686	900,000	500,000	200,000	200,000	200,000	2,000,000
IRNE Fiber Expansion Program	0	0	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	6,250,000
IRNE Network Technology Refresh	2,494,261	482,856	1,500,000	1,000,000	1,000,000	0	0	3,500,000
Mobile Application Management	0	324,400	50,000	50,000	50,000	50,000	60,000	260,000
Office 365 Implementation	1,311,818	143,000	176,000	247,250	204,000	60,000	60,000	747,250
P&D Print Management System	0	235,224	235,244	0	0	0	0	235,244
Police Office 365	1,163	98,837	0	100,000	0	0	0	100,000
Public Safety Data Center	0	0	429,000	451,500	423,750	0	0	1,304,250
Public Safety Failover Expansion	0	0	100,000	100,000	50,000	25,000	25,000	300,000
Replace Telecomm Management System	175,710	309,006	425,000	100,000	0	0	0	525,000
SAN Storage Expansion	4,923,239	780,647	223,200	648,000	1,185,600	1,327,200	187,200	3,571,200
Secondary Data Center	0	0	609,000	264,000	0	0	0	873,000
Smart Card Technology	0	120,000	0	106,900	56,900	56,900	56,900	277,600
Video Centralized Management Upgrade	0	100,000	50,000	100,000	100,000	100,000	100,000	450,000
Web Site Replacement	399,371	647,197	244,200	409,820	235,400	0	0	889,420
Wireless Network Expansion	971,371	139,708	34,400	34,400	100,000	65,000	100,000	333,800
Workflow Application	0	0	195,500	184,000	115,000	0	0	494,500
<b>Total BTS</b>	<b>18,377,445</b>	<b>5,128,506</b>	<b>8,110,044</b>	<b>6,253,770</b>	<b>5,374,050</b>	<b>3,492,500</b>	<b>2,221,500</b>	<b>25,451,864</b>
<b>CityFleet</b>								
CityFleetReplacement	0	594,384	0	0	0	0	0	0
FY 2019-20 BDS Vehicle Replacement	0	0	107,693	0	0	0	0	107,693
FY 2019-20 CityFleet Vehicles Replacement	0	0	200,480	0	0	0	0	200,480
FY 2019-20 Fire Vehicle Replacement	0	0	64,073	0	0	0	0	64,073
FY 2019-20 Golf Vehicle Replacement	0	0	18,460	0	0	0	0	18,460
FY 2019-20 Parks Vehicle Replacement	0	0	1,068,690	0	0	0	0	1,068,690
FY 2019-20 PBOT Vehicle Replacement	0	0	3,134,543	0	0	0	0	3,134,543
FY 2019-20 Police Vehicle Replacement	0	0	3,303,942	0	0	0	0	3,303,942
Replace and Construct Fueling Stations	1,907,033	4,949,778	6,014,331	0	0	0	5,952,295	11,966,626
<b>Total CityFleet</b>	<b>1,907,033</b>	<b>5,544,162</b>	<b>13,912,212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,952,295</b>	<b>19,864,507</b>

This table summarizes project expenses by capital programs.

Bureau Capital Program Project	Prior Years	Revised FY 2018-19	Requested FY 2019-20	Capital Plan				5-Year Total
				FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
<b>Facilities</b>								
1900 Building Electronic Vehicle Chargers	0	143,654	0	0	0	0	0	0
City Hall Audio and Visual Upgrades	15,000	0	468,206	0	0	0	0	468,206
City Hall Balcony Railing	0	0	250,000	0	0	0	0	250,000
City Hall Security Upgrades	0	28,174	0	0	0	0	0	0
Construct Building at SW 4th and Montgomery	454,476	19,712,300	3,722,980	0	0	0	0	3,722,980
PCC HVAC Centralization	0	900,000	0	0	0	0	0	0
Portland Building Fitness Center Equipment	0	0	92,500	0	0	0	0	92,500
Portland Building Reconstruction Project	129,162,300	68,542,749	61,138,383	470,643	0	0	0	61,609,026
Portland Building Technology Project	2,136,707	2,680,335	2,091,967	0	0	0	0	2,091,967
Second Childcare Center in Portland Building	0	127,000	2,406,703	0	0	0	0	2,406,703
Space Optimization	9,968,679	5,000,000	8,889,321	0	0	0	0	8,889,321
<b>Total Facilities</b>	<b>141,737,162</b>	<b>97,134,212</b>	<b>79,060,060</b>	<b>470,643</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,530,703</b>
<b>Accounting</b>								
CAFR Software Replacement	0	98,500	0	0	0	0	98,500	98,500
<b>Total Accounting</b>	<b>0</b>	<b>98,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98,500</b>	<b>98,500</b>
<b>EBS</b>								
Enterprise Asset Management	5,590	0	0	0	1,551,401	638,327	0	2,189,728
Enterprise Asset Management - Real Estate Implementation	0	0	288,104	0	0	0	0	288,104
SAP Suite on HANA	0	0	1,952,400	238,600	0	0	0	2,191,000
<b>Total EBS</b>	<b>5,590</b>	<b>0</b>	<b>2,240,504</b>	<b>238,600</b>	<b>1,551,401</b>	<b>638,327</b>	<b>0</b>	<b>4,668,832</b>
<b>Public Finance and Treasury</b>								
DBC Finance	0	0	14,500	0	0	0	0	14,500
GovInvest	0	0	34,248	0	0	0	0	34,248
<b>Total Public Finance and Treas- ury</b>	<b>0</b>	<b>0</b>	<b>48,748</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48,748</b>
<b>Procurement</b>								
B2G / LCP Tracker	0	90,892	0	0	0	0	0	0
Procurement Services Technology Update Project	0	0	211,000	0	0	564,275	0	775,275
<b>Total Procurement</b>	<b>0</b>	<b>90,892</b>	<b>211,000</b>	<b>0</b>	<b>0</b>	<b>564,275</b>	<b>0</b>	<b>775,275</b>
<b>Revenue</b>								
Integrated Tax System	0	0	9,982,950	9,253,379	7,408,876	0	0	26,645,205
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>9,982,950</b>	<b>9,253,379</b>	<b>7,408,876</b>	<b>0</b>	<b>0</b>	<b>26,645,205</b>

This table summarizes project expenses by capital programs.

Bureau Capital Program Project	Prior Years	Revised	Requested	Capital Plan				5-Year Total
		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
<b>Total Requirements</b>	162,027,230	107,996,272	113,565,518	16,216,392	14,334,327	4,695,102	8,272,295	157,083,634



# BUREAU OF HUMAN RESOURCES

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# Human Resources

## Overview

The Bureau of Human Resources provides strategic leadership and management for Citywide human resources systems. These systems link to the overall business strategies of City Council and bureaus as they relate to operations and strategic support, total rewards, employment and labor relations, and workforce recruitment and training. The bureau is responsible for developing and maintaining the City's Human Resources Administrative Rules, providing administrative support to the Civil Service Board, and ensuring compliance with the Health Insurance Portability and Accountability Act, as well as state and federally mandated leave laws (e.g., Family Medical Leave Act and Oregon Family Leave Act). The bureau is the SAP Human Capital Management business process owner. The Bureau of Human Resources is composed of the following program offers:

- ◆ Employment and Labor Relations
- ◆ Operations and Strategic Support
- ◆ Total Rewards
- ◆ Workforce Recruitment and Training

Through Workforce Recruitment and Training and Employee and Labor Relations, Human Resources is responsible for helping bureaus recruit, develop, and retain a competent and highly qualified workforce that is representative of the communities the City serves. The bureau manages the City's health insurance programs, and the deferred compensation program. Additionally, the bureau provides leadership and expertise to the City Council and the Labor Management Benefit Committee in developing strategic direction for the City's benefits and wellness programs. In December 2017, Serilda Summers-McGee began leading the organization as Human Resources Director.

## Employer Branding

The Bureau of Human Resources leads the City's Branding Initiative, which identifies the City as a values-based employer to attract, develop, and retain a diverse, culturally competent, fully engaged workforce. The Bureau of Human Resources is also responsible for the following Citywide initiatives that support Employer Branding: Citywide onboarding, Path to Leadership training, centralized training opportunities, both web-based and classroom, employee wellness programs, and talent development and mentorship.

## Equity Initiatives

Human Resources leads the following initiatives in support of the City's equity goals: workplace harassment and discrimination training, manager and supervisor core competency training, cultural competency training, bias reduction training, annual InCight job fair focused on individuals who identify as having a disability, annual Northwest Public Employees Diversity Conference in collaboration with Multnomah, Clackamas, Clark, and Washington Counties, Metro, and Prosper Portland, and strategic plan implementation of Council's resolution to become a model employer for persons with disabilities. In FY 2019-20 BHR will seek resources for a Central Accommodations Fund that will finance approved workplace accommodations for job applicants, interns, employees, Elected Officials, and persons living with disabilities. The fund will facilitate the City's compliance with its legal obligations under Title I of the Americans with Disabilities Act (ADA) and Oregon state law.

## Summary of Division Budget

	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Requested FY 2018-19
<b>Resources</b>					
<b>External Revenues</b>					
Charges for Services	61,593,002	115,613,684	127,597,006	129,460,095	129,460,095
Miscellaneous	9,007,229	2,113,645	1,023,557	1,238,180	1,238,180
<b>Total External Revenues</b>	<b>70,600,231</b>	<b>117,727,329</b>	<b>128,620,563</b>	<b>130,698,275</b>	<b>130,698,275</b>
<b>Internal Revenues</b>					
General Fund Discretionary	2,775,071	4,222,909	4,476,984	4,121,659	5,105,629
General Fund Overhead	4,681,376	4,719,602	4,901,691	5,517,449	5,911,873
Interagency Revenue	235,584	375,922	491,985	502,450	502,450
<b>Total Internal Revenues</b>	<b>7,692,031</b>	<b>9,318,433</b>	<b>9,870,660</b>	<b>10,141,558</b>	<b>11,519,952</b>
Beginning Fund Balance	22,958,693	31,873,968	29,966,157	32,086,133	32,086,133
<b>Total Resources</b>	<b>\$101,250,955</b>	<b>\$158,919,730</b>	<b>\$168,457,380</b>	<b>\$172,925,966</b>	<b>\$174,304,360</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	9,370,282	9,936,382	10,760,500	11,258,737	11,512,131
External Materials and Services	59,369,288	113,125,262	134,279,980	128,500,487	129,620,487
Internal Materials and Services	1,187,834	1,234,467	1,274,266	1,253,362	1,258,362
<b>Total Bureau Expenditures</b>	<b>69,927,404</b>	<b>124,296,111</b>	<b>146,314,746</b>	<b>141,012,586</b>	<b>142,390,980</b>
<b>Fund Expenditures</b>					
Debt Service	36,092	39,574	43,046	45,660	45,660
Contingency	0	0	21,778,192	31,593,310	31,593,310
Fund Transfers - Expense	287,136	318,157	321,396	274,410	274,410
<b>Total Fund Expenditures</b>	<b>323,228</b>	<b>357,731</b>	<b>22,142,634</b>	<b>31,913,380</b>	<b>31,913,380</b>
Ending Fund Balance	31,873,968	34,166,623	0	0	0
<b>Total Requirements</b>	<b>\$102,124,600</b>	<b>\$158,820,465</b>	<b>\$168,457,380</b>	<b>\$172,925,966</b>	<b>\$174,304,360</b>
<b>Programs</b>					
Administration & Support	1,013	685	0	0	0
HR Corporate Services	2,640,657	2,768,191	3,581,194	131,644,755	132,194,755
Operations and Strategic Support	62,921,922	117,629,152	140,016,659	3,613,887	3,748,084
Employment & Development	3,329	3,232	0	0	0
Site Teams and Police HR	2,495,395	2,597,141	2,580,993	0	0
Enterprise Operations Management	0	0	0	3,690,630	3,690,630
Health Insurance	0	0	135,900	0	0
Risk Management	0	1,175	0	0	0
Accounting	(158)	0	0	0	0
Workforce Recruitment Training	0	0	0	2,063,314	2,757,511
Labor Relations	0	57,373	0	0	0
Benefits	1,836,044	1,224,036	0	0	0
Diversity Development/Affirmative Action	29,200	15,125	0	0	0
<b>Total Programs</b>	<b>69,927,402</b>	<b>\$124,296,111</b>	<b>\$146,314,746</b>	<b>\$141,012,586</b>	<b>\$142,390,980</b>

FTE Summary

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30000063	Accountant II	59,114	74,402	1.00	74,402	1.00	74,402	1.00	74,402
30000064	Accountant III	65,083	81,848	1.00	77,510	1.00	80,097	1.00	80,097
30003001	Accounting Supervisor	63,336	105,373	1.00	95,243	1.00	95,243	1.00	95,243
30003002	Administrative Specialist I	44,075	66,102	2.00	89,193	2.00	108,801	2.00	108,801
30003003	Administrative Specialist II	48,277	89,523	1.00	71,406	1.00	71,406	1.00	71,406
30003004	Administrative Specialist III	53,290	98,800	4.00	278,596	4.00	278,596	4.00	278,596
30003012	Business Systems Analyst III	69,805	126,318	1.00	98,904	1.00	98,904	1.00	98,904
30003035	Deputy Director II	92,851	162,490	1.00	83,418	1.00	154,003	1.00	154,003
30003038	Director II	130,478	208,770	1.00	178,194	1.00	178,194	1.00	178,194
30003055	Financial Analyst II	63,336	105,373	1.00	98,904	1.00	98,904	1.00	98,904
30003056	Financial Analyst III	69,805	126,318	1.00	125,736	1.00	125,736	1.00	125,736
30003063	Human Resources Analyst I	53,290	98,800	11.00	784,910	11.00	799,866	11.00	799,866
30003064	Human Resources Analyst II	63,336	105,373	16.00	1,333,432	16.00	1,341,697	18.00	1,510,406
30003065	Human Resources Analyst III	69,805	126,318	7.00	631,891	7.00	644,103	7.00	644,103
30003066	Human Resources Generalist	69,805	126,318	13.00	1,274,198	13.00	1,274,198	13.00	1,274,198
30003067	Human Resources Systems Specialist	53,290	98,800	7.00	548,045	7.00	569,295	7.00	569,295
30003081	Manager I	80,205	140,338	2.00	263,286	2.00	263,286	2.00	263,286
30003082	Manager II	92,851	162,490	5.00	658,777	5.00	658,777	5.00	658,777
30000011	Office Support Specialist I	34,091	48,714	1.00	48,714	1.00	48,714	1.00	48,714
30000012	Office Support Specialist II	37,461	53,789	1.00	45,627	1.00	48,979	1.00	48,979
30000013	Office Support Specialist III	47,902	63,482	1.00	54,995	1.00	56,956	1.00	56,956
30003103	Supervisor I - E	63,336	105,373	1.00	98,904	1.00	98,904	1.00	98,904
30003104	Supervisor II	69,805	126,318	1.00	125,736	1.00	125,736	1.00	125,736
<b>TOTAL FULL-TIME POSITIONS</b>				81.00	7,140,020	81.00	7,294,794	83.00	7,463,503
<b>TOTAL PART-TIME POSITIONS</b>				0.00	0	0.00	0	0.00	0
30003063	Human Resources Analyst I	53,290	98,800	1.00	79,290	1.00	58,266	1.00	58,266
<b>TOTAL LIMITED TERM POSITIONS</b>				1.00	79,290	1.00	58,266	1.00	58,266
<b>GRAND TOTAL</b>				82.00	7,219,310	82.00	7,353,060	84.00	7,521,769

# BHR - Employee and Labor Relations

## Program Description & Goals

Employee Relations provides strategic advice and support to assigned bureaus to achieve excellence in employee performance and organizational effectiveness throughout the City. Employee Relations and Police Human Resources assists bureaus in reviewing business processes through a lens that promotes more equitable outcomes for staff, customers, and stakeholders. Labor Relations oversees negotiations, responds to grievances, and acts as the official City representative to nine employee bargaining units. Labor Relations assists Council in developing and executing bargaining strategies and helps bureaus comply with the City's labor agreements through management training and contract interpretation advice.

Employee and Labor Relations supports the City's goal to deliver efficient, effective, and accountable municipal services by planning thoughtful labor negotiation strategies, providing targeted management training, and increasing workforce productivity through performance management efforts. This program supports the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions.

Last fiscal year, the Bureau of Human Resources (BHR) identified three new performance measures for Employee Relations and Police HR. New performance measures include the total number of HR investigations, the number of days per HR investigation, and percentage of employees whose annual evaluation is conducted within one month of the anniversary date. Labor relations plans to implement formal performance measures related to the total number of interim successor agreement negotiations undertaken and the number of manager and supervisor training sessions offered.

The Employee Relations team supports the bureau's racial equity plan by providing the bias awareness training required for interview panels across the City. In addition, Employee Relations staff investigates all claims of discrimination and harassment throughout the City. Finally, each Human Resources Business Partner (HRBP) is familiar with their operating bureaus' affirmative action strategies and goals to help the bureaus achieve those goals.

The Labor Relations team supports the bureau's Racial Equity Plan by reviewing the City's nine Collective Bargaining Agreements and identifying opportunities to eliminate barriers and strategically partners with all City Bureaus to assure that all bureau policies, general orders, and directives are in line with the City's Racial Equity Plan.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Total number of human resource investigations	0	165	0	157	150
Number of days per human resource investigation	0	54	0	51	48
Percentage of employees whose an annual evaluation within 1 month of anniversary date	0	N/A	0	1	1
	0	0	0	4	4

## Explanation of Services

The Employee Relations team fosters excellence in employee performance and organizational

effectiveness throughout the City by providing strategic consultation and support to improve systems and the quality of decisions impacting people. Key services are noted below.

### Learning and Capability Development

Assess, create, advise, and deliver on bureau-specific and Citywide employee training initiatives and HR related learning needs.

- Work with bureaus to create and implement talent development plans.
- Assess organizational capability needs and provide learning tools and programs that build workforce capability in support of City objectives.
- Deliver core as well as customized manager and employee training.
- Provide coaching and consultation for managers and supervisors on effective leadership practices.
- Deliver learning opportunities and programs to increase individual effectiveness and team performance.
- Develop, conduct, and/or coordinate tailored training on various HR related topics.

### Performance Management

Provide consultation and tools to managers and staff to prevent and resolve workplace issues and facilitate workplace investigations as necessary.

- Aid in the development, implementation, and monitoring of the bureau's performance evaluation processes to ensure regular feedback is provided to staff.
- Perform workplace climate and culture assessments.
- Develop and deliver workforce engagement initiatives.
- Provide mediation, facilitation, and conflict resolution services to all employees.
- Conduct workplace harassment, discrimination, and retaliation investigations Citywide.
- Guide performance and conduct related investigations with bureau management.
- Assist in the administration of discipline and employee separations.

### Change Leadership

Deliver consultative services and advice on how to plan, manage, and communicate initiatives and their impact to people and processes during organizational change.

- Partner with bureau leadership and BHR's Classification/Compensation division to facilitate reorganizations and redesigns.
- Assist in the implementation of collective bargaining agreement changes and their impact on City bureaus.
- Provide onboarding support for new City leaders and bureau directors.
- Advise on change management communication plans and culture change initiatives.
- Administer the City's layoff, recall, and redeployment processes Citywide.
- Administer the City's Targeted Severance program.

### Interpretation and Navigation

Foster awareness, understanding, and compliance through coaching on administrative rules, collective bargaining agreements, employment laws, and workplace policies.

- Consultation and interpretation of HR Administrative Rules (HRAR) and partnering with Labor Relations on the interpretation and application of collective bargaining agreements.
- Facilitation of the City's Americans with Disabilities Act (ADA) accommodation process.
- Provide support on the resolution of early level grievances in coordination with Labor Relations.
- Guidance and approval on the use of process and forms.
- Recruitment and selection guidance on the use of NEOGOV, the delivery of offer letters, and the application of Veteran's Preference.

- Provide coaching and consultation to managers and supervisors regarding federal and state employment laws and regulations.

Employee Relations Team outcomes and results include:

- Assessing team climate and driving greater employee engagement.
- Accelerating the growth of new supervisors into strong people leaders.
- Designing and implementing assessment, succession, and development plans.
- Resolving employee performance, conduct, and workplace conflict issues.
- Defining talent acquisition and capability development strategies to meet future needs.
- Aligning HR initiatives to support bureaus' operational goals.
- Managing within the City's HRARs, employment laws, and collective bargaining agreements.
- Connecting employees with centralized BHR resources.
- Effectively communicating and managing the impacts of workplace change on staff.

Labor Relations Team outcomes and results include:

- Overseeing nine Collective Bargaining Agreements.
- Providing contract interpretation and administration.
- Negotiating interim and successor negotiations on behalf of the City.
- Serving as a liaison to resolve contract disputes through grievance, settlement, and arbitration support to City Attorney's Office.
- Working with bureau leadership on workforce planning that affects wages, benefits, and working conditions for all city employees.
- Providing training to management on new successor agreement, interim bargaining, and Public Employee Collective Bargaining Act (PECBA) in preparation for bargaining.
- Preparing bargaining strategies for Council approval.
- Providing program management for Civil Service Board, Commercial Driver's License/PPA Drug Testing Program.

## Equity Impacts

The Employee and Labor Relations program benefits communities of color and persons with disabilities by working to provide access to employment as well as assist with identifying accommodations for City employees in accordance with ADA Title I.

## Changes to Program

Prior to 2018, HRBPs were supervised by a team of three Site Team Managers who each coordinated their services and support to a small portfolio of offices and bureaus. In February 2018, the three decentralized Site Teams were converted into one centralized employee relations team led by one manager to improve communication with bureaus and to stay in line with best practices.

This change in structure allowed for a series of developments:

- BHR now provides centralized training to all HRBPs ensuring our HRBPs are skilled at industry best practices. New training modules are provided regularly with issues and concerns triaged and resolved quickly.
- Having a single manager allows for consistent coaching, systems, and accountability across all of Employee Relations.

BHR has since been able to streamline HR systems, which has led to the elimination of redundancies and shortened processing timelines for clients. The single manager structure allows BHR to monitor and strengthen quality of service with quick feedback loops.

Labor Relations charge to action has changed under new leadership within BHR. The team has adopted three goals to enhance relations with customers and stakeholders:

- Improve relationships with union leadership, elected officials, and City bureaus.
- Improve collaboration within Bureau of Human Resources.
- Provide effective labor training.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	23,000
Internal Materials and Services	0	0	0	5,053
Personnel	0	0	0	3,662,577
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,690,630</b>

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	25
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>

**Resources:** This program is funded solely by General Fund discretionary resources. It is anticipated that program services will not be impacted by the one percent constraint reduction in General Fund revenues.

**Expenses:** Most costs associated with this program area are in personnel and are fixed.

**Staffing:** This program area has a total of 25 FTE.

Staffing trends within the HR generalist field are reflective of a tight labor market. The Employee Relations team has maintained a relatively stable workgroup but as the Portland Metro area continues to grow, HRBP roles will likely see increased turnover as a result of additional prospects in the market.

Staffing trends within Labor Relations continue to be a stable due to the competitive, specialized nature of this profession.

**Assets and Liabilities:** N/A

### Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/bhr/59984>

**Program Contact:** Ron Zito

**Website:** bhr/59984

**Contact Phone** 503-823-8910

# BHR - Operations and Strategic Support

## Program Description & Goals

Operations and Strategic Support consists of two functions including the Human Resources (HR) and Payroll Services group and the Strategic Support group. Strategic Support provides bureau oversight and direction, develops and maintains the City's Administrative Rules and policies, provides consultation to bureau directors and City Council, manages the bureau's budget, and oversees and administers the pre-employment medical programs. HR and Payroll Services manages, administers, and coordinates the City's human resources and payroll systems. Program tasks include oversight of position management systems, personnel administration, payroll, and time administration programs within SAP Human Capital Management (HCM) and the contract for the child development center (CityKids).

The Operations and Strategic Support program supports the City's goal of delivering efficient, effective, and accountable municipal services and the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions.

The HR and Payroll Services program strives to provide and administer efficient systems and business processes that support management and payment processes for the City's workforce and third-party fund recipients. HR and Payroll Services complies with federal, state, and local wage and hour laws, labor contracts, administrative rules, and business requirements. Emerging case laws are incorporated into system requirements.

HR and Payroll Services continuously incorporates feedback from protected workforce groups including methods to implement gender-neutral references in the City's HR data, inclusion of second legal surnames within HR data and Outlook, address naming convention needs presented by City affinity groups, the addition of foster children to the wait list prioritization for the City's childcare program, and the development of strategies for equitable paycheck distribution for the City's contingent workforce population.

Strategic Support affirms BHR's goal to provide equitable access to human resource services through arranging interpretation/translation services and providing materials for people who speak languages other than English, including hearing and sight impaired communities.

Operations and Strategic Support provides resources to coordinate services for employees with disabilities in need of ADA accommodations. These provisions meet BHR's goal of providing equitable City services to all employees and residents by effectively removing barriers and implementing practices that ensure active engagement for all employees.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of payroll checks direct deposited	94%	94%	0	100%	100%

## Explanation of Services

The Bureau of Human Resources leads the City's Employer Branding initiative, which identifies the City as a values-based employer to attract, develop, and retain a diverse, culturally competent, fully engaged workforce. The Bureau of Human Resources is also responsible for leading Citywide initiatives that support Citywide onboarding, Path to Leadership training, centralized training opportunities, employee wellness programs, and talent development programs.

Operations and Strategic support oversees the SAP HCM system in collaboration with the Bureau of Technology Services' Enterprise Business Solution (EBS) Division.

Operations and Strategic Support administers pay practice and compensation provisions of the City's nine collective bargaining agreements and administrative rules, legal agreements affecting employee compensation, settlement agreements, and arbitrator awards. Additional service provisions include employee time entry management and processing administration which involves quota adjustments, settlement agreements, administering the catastrophic leave donation process, and coordinating the off-cycle check request.

Operations and Strategic Support provides guidance for SAP end-users, responses to public records requests, information requests, and is working to develop new performance measures that will illustrate program efficiency and effectiveness.

HR and Payroll customers include City bureaus, all City employees, retirees, and third-party payees.

## Equity Impacts

BHR incorporates an equity lens in all facets of business through programs that reach disadvantaged communities of color and persons living with disabilities. BHR serves as the central hub for collecting and reporting all Equal Opportunity Employer data.

Operations and Strategic Support facilitates research and provides tools needed for ADA Title I accommodations including workplace adjustments and special ADA accommodations for disabled employees.

## Changes to Program

Over the past several years, declining resources have resulted in streamlined processes. The number of staff has remained static in the HR and Payroll Services program while the total number of City employees (regular and casual) requiring services from the program has continued to grow. In addition, there is an ongoing need to make more information and processes functional and accessible to our customers on a variety of devices.

This program will not be impacted by the one percent constraint requirement or as a result of other significant internal reallocations.

Operations and Strategic Support continually reassesses and streamlines processes to maintain an efficient and effective HR system. In the past year, HR and Payroll Services has held multiple stakeholder feedback meetings, conducted a customer service survey, implemented transaction service metrics, and made process improvements resulting in a 30% reduction of personnel transaction cycle time.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	102,000
Internal Materials and Services	0	0	0	782,175
Personnel	0	0	0	2,729,712
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,613,887</b>

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	21.78
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21.78</b>

**Resources:** The primary resource for this program is General Fund discretionary.

**Expenses:** Most of the expenses from this program are for personnel services.

**Staffing:** Operations and Strategic Support program staffing has been static. The workload of HR and Payroll Services has increased significantly due to growth in the City's total workforce. While Operations and Strategic Support will continue to pursue efficiencies, increases in the total number of City employees, HR legal complexities, and new business requirements will generate a need for future resources in this program area.

**Assets and Liabilities:** N/A

### Program Information

**Bureau:** Office of Management & Finance      **Program Contact:** Larry Nelson  
**Website:** [www.portlandoregon.gov/bhr](http://www.portlandoregon.gov/bhr)      **Contact Phone** 503-823-6118

# BHR - Workforce Recruitment and Training

## Program Description & Goals

Workforce Recruitment and Training (WRT) provides a holistic portfolio of services to attract, retain, and develop an inclusive and talented workforce. The WRT program administers recruitments through NEOGOV to fill permanent, limited duration, seasonal, and temporary needs in the City's workforce. WRT develops and administers recruitments in accordance with federal, state, and City Administrative Rule guidelines, conducts and attends career fairs, administers "How to Apply" classes, and manages equity, diversity, and inclusion initiatives while partnering with community organizations, professional groups, and City bureaus. The WRT team is dedicated to delivering innovative, strategic, and consultative services for the City of Portland. This approach requires data driven and outcomes-based decision-making strategies.

Workforce Recruitment and Training supports the City's goal of seeking high quality candidates, educating the workforce on equity, providing training and development opportunities, and the City's goal to deliver efficient, effective, and accountable municipal services. WRT also supports the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions.

Workforce Recruitment and Training has one key performance measure relating to the OMF 2018-2020 Strategic Plan strategy of developing an inclusive, talented workforce. The key performance measure illustrates the percentage of focused outreach program participants on an eligible list who are hired. Percentages of female and minority applicants are expected to reach 44% and 35% respectively, in FY 2019-20.

Workforce Recruitment & Training is dedicated to providing services and leading programs and processes to guide the employee life cycle from recruitment to retention. The program's core values are equity, transparency, communication, and collaboration. WRT is responsible for multiple programs including: Affirmative Action reporting in accordance with the Office of Federal Contract Compliance Programs (OFCCP), the centralized accommodation system and fund to ensure equitable delivery of reasonable accommodations for people with disabilities during the recruitment process, marketing the City as an employer to attract and retain top talent, and developing recruitment strategies from entry level positions to executive roles with consistent and equitable processes. The Human Resources Tableau performance dashboard is available online and provides the ability to track key metrics, streamline processes and ensure transparency throughout the recruitment and selection process and can be found at <https://www.portlandoregon.gov/bhr/77445>.

### Recruitment Timeline Metrics – Time to Fill and Time to Post

Time to Fill is the length of time between the date a requisition is received by BHR to the date a verbal offer is extended to the selected candidate. In FY 2018-19, the average time to fill a position to date is 85 days.

Time to Post is the length of time between the date a requisition is received by the BHR to the date that the job is posted and can begin accepting applications. Some recruitments are for only one bureau, while others require coordination among multiple bureaus. The average for the current fiscal year to date is six business days. The average Time to Post for multi-bureau recruitments is four business days; average for the current fiscal year to date for single-bureau recruitments is six business days.

### Changes to Services and Activities

The FY 2019-20 budget includes a Direction to Develop a decision package which includes 1 FTE to support temporary, seasonal, and casual recruitments and administer background checks. WRT has a Direction to Develop an ADA accommodations fund to support bureaus in hiring and retaining people with disabilities. The centralized ADA accommodation fund will support equitable and comprehensive professional growth opportunities for all employees, using consistent core competencies. WRT is currently conducting research to develop options for centralized administration of these services.

Workforce Recruitment and Training supports BHR’s five-year Racial Equity Plan and Citywide equity goals related to racial and disability equity by ensuring that all training programs include an element of equity literacy, diversity, and cultural awareness. Training programs are being created through a collaborative effort which includes focus groups representative of a diverse and Citywide perspective. Additional high-quality training programs are currently offered both internally and through vendor partners. Evaluations will be provided to each training attendee to measure the delivery of racial and disability equity content. The objective of the trainings is to increase inclusivity and improve the employee experience.

In addition, WRT uses diversity recruitment strategies for all positions and will launch an employee lifecycle training in 2019 to focus on equity throughout the recruitment, selection, onboarding, and engagement phases of the employee journey. The training will be offered to all staff, with a focus on managers and supervisors.

WRT is responsible for the administration of the Project Search internship program which focuses on individuals with developmental disabilities (IDD). WRT will launch the Access to Work program in 2019 for people with disabilities. The program will partner with community organizations including vocational rehab to recruit people with disabilities to the City. The class specifications for the program are currently in development.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of diverse (protected class) applicants per fiscal year - female	41%	44%	0	100%	100%
Percentage of diverse (protected class) applicants per fiscal year - minority	32%	32%	0	0	100%
Percentage of focused outreach program participants on an eligible list who are hired	27%	30%	0	0	100%
Number of qualified candidates in talent pool per high turnover classification opening	0	N/A	0	N/A	N/A
Number of qualified candidates in talent pool per open retirement eligible classification	0	N/A	0	N/A	N/A
Average time of complete recruitment	0	96	0	100	N/A

**Explanation of Services**

The Workforce Recruitment and Training team has identified opportunities through Citywide collaboration and creation of a gap analysis to strategically create and refresh existing training programs. This approach is consistent with BHR's efforts to ensure equitable outcomes, build talent pipelines for critical roles through the Path to Leadership program, and support continuous employee growth at all levels. The training offered will be highly interactive and will align with OMF's Strategic Plan and the City's racial equity goals. Training programs will be continually evaluated through both quantitative and qualitative data, as well as participant and stakeholder feedback to ensure meaningful, equitable, and relevant learning opportunities are provided.

Recruitment is a vital central resource to ensure equitable access and opportunity to City jobs. The program uses a consistent approach to recruitment that is tailored based on the nature of the position. In addition, the recruitment program produces data for both internal purposes and regulatory compliance. WRT is responsible for the affirmative action program, centralized accommodations, diversity recruitment, community/academic partnerships with a focus on recruitment, and marketing the City as an employer locally and nationally.

WRT provides strategic oversight and develops partnerships with bureaus to create equitable outcomes and experiences. WRT takes a Citywide view and, if needed, a bureau-specific lens to scale best practices. Concerted effort is required, and stable staffing is necessary to consistently deliver and evolve this program. The bureau-specific dashboards convey results and areas of opportunity. Large City bureaus have reserve resources to expend on materials and services that small bureaus do not have. This variance in budgets can impact the employee and candidate experience across bureaus and presents a challenge to the Employer Branding objective. This program ensures that hiring practices remain consistent across the City.

The output provides a consistent candidate experience and heightened visibility for Citywide opportunities. In addition, needs have been identified such as a Citywide apprenticeship program, improvements to the application process, and enhanced training. The current employment market requires that the City position itself strategically and generate hires as quickly as possible. In addition, the recruitment team is committed to reducing bias in the hiring process and is working to launch employee lifecycle training to reduce bias in selection.

Since the beginning of FY 2018-19, BHR representatives have attended 65 recruitment events and engaged with 1,210 attendees. WRT is launching a centralized accommodation system and anticipates a Citywide fund to provide accommodations to candidates and employees with disabilities. The lack of a central process has resulted in unnecessary barriers to employment. In addition, the program is educating the workforce and community members on data collection for self-identification. In spring 2019, the Disability Resources and Employment Specialist and Veteran Recruiter will launch a Citywide survey to identify the percentage of City employees who identify as a person living with a disability. WRT also facilitates 'How to Apply' classes to teach community members the basics of applying for a City of Portland job.

## Equity Impacts

WRT tracks the number of qualified applicants and hires who self-identify as being members of protected classes. As part of the central accommodation process, accommodation requests and fulfillment are tracked and reported in the HR dashboard.

It is the mission of WRT to ensure equal opportunity employment and ADA Title I is a significant focus. In addition, WRT is responsible for the Affirmative Action plan and reporting to the OFCCP.

All efforts and strategies in WRT focus on equity and diversity.

## Changes to Program

WRT is committed to improving access to people with disabilities and would significantly benefit from a central accommodations fund. Job board postings are increasing in price due to demand. A bulk purchase model is being explored through the central accommodations model.

It is not anticipated that this program will be affected by the one percent constraint requirement. The Citywide Training program has been added to WRT to fortify the delivery of a talented and inclusive workforce and to support a consistent employee journey and increased retention.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	170,000
Internal Materials and Services	0	0	0	34,860
Personnel	0	0	0	1,858,454
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,063,314</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	14.8
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14.8</b>

**Resources:** This program is mainly supported by General Fund Resources. However, the training program receives minimal revenue through registration fees to vendor sponsored trainings such as PCC Climb courses.

Implementation of a Citywide Training Fund would be beneficial to ensure equitable training and development opportunities. A centralized training budget would assure that all trainings provide an equitable, culturally sensitive message and delivery, eliminate duplicative processes, and create a process of collaboration and shared resources.

**Expenses:** Nearly all expenses for this program are from personnel services expenditures. The rest of the expenses are related to professional services for contracts and materials and services needed for recruitments and trainings.

**Staffing:** This program has a total of 14.8 employees for Workforce Recruitment and Training program. The positions are an Office Support Specialist 3, HR Analyst 1's and 2's and the Manager 2 classification.

**Assets and Liabilities:** N/A

## Program Information

**Bureau:** Office of Management & Finance      **Program Contact:** Ashlie Grundy  
**Website:** portlandoregon.gov.bhr      **Contact Phone:** 503-823-3514

# BHR - Total Rewards

## Program Description & Goals

This program includes the administration of the City of Portland's Total Rewards program encompassing administration of healthcare, life and disability coverage, leave programs, occupational health and wellness, deferred compensation, and other financial services for City employees. The Health Insurance Fund collects revenue and pays expenses incurred for medical, dental, vision, and prescription drug claims, claims administration, internal administration, chronic disease management, and stop-loss insurance for the self-funded plans CityCore, CityBasic, and City Net (for Portland Police Association (PPA) members). The Health Insurance Fund also administers dental programs, COBRA enrollees, retirees, and casual employees who gain access to coverage through the Affordable Care Act or a collective bargaining agreement. The Health Insurance Fund also collects and pays costs associated with the insured programs (e.g., Kaiser medical/dental/vision, life insurance, and disability programs). This fund is separate from the PPA Health Fund. The PPA Health Fund administers claims and premiums on behalf of sworn employees of the Police Bureau who are members of the PPA, retirees of the PPA, COBRA enrollees, or eligible dependents of a PPA member. The Total Rewards program oversees the Citywide classification and compensation plans, programs, policies, and systems, and supports labor contract negotiations through compensation and market analysis. The Total Rewards program includes the City's Occupational Health and Well-being program. This program assesses the needs for education and services supporting employees focusing on improving safety, minimizing risk, and improving overall well-being. This program is responsible for employee support and counseling, coordination of the City's flu shot clinic, blood borne pathogen training, and provides consultant services related to the Healthy Foundations and CityStrong program. To best support the City's Employer Branding Initiative, key performance measurements will assess employee perception of the Total Rewards Program. In June 2018, City employees were surveyed to determine their knowledge and satisfaction of employee benefits. Of those employees who responded, 69% felt the benefits program was a key factor in opting to work at the City while 84% felt it was a reason to stay with the City. While retention is important, potential employees need to understand the Total Rewards benefits available to them as employment options are evaluated. Continued success will require improved collaboration with BHR's Workforce Recruitment and Training division, outreach to targeted recruitments as they begin the interviewing process, and strategies involving existing employees to champion work and experiences.

Classification and Compensation plans to implement benchmark performance measurements in the future. Employees in this division will finalize components of the classification/compensation study and be surveyed during this process to ensure future performance metrics can be offered. The Total Rewards Program supports the Bureau's five-year Equity Plan by offering employees low premium share and affordable access to healthcare, continual improvements to pay equity, and classification alignment across non-represented job classifications. Continued work needs to be done to implement consistent exit interview practices and flexible work schedules to better meet the cross generational needs of City employees.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of employees enrolled in health coaching programs	547	612	0	838	879

## Explanation of Services

The Total Rewards program leads the City's Employer Branding initiative which identifies the City as a value-based employer to attract, develop, and retain a diverse, culturally competent, and engaged workforce. This work is supported by the Champions Circle, a committee of employees representing a cross section of bureaus, who proactively engage and support City bureaus in the implementation of the Employer Branding initiative. Total Rewards is responsible for leading the following Citywide initiatives that support Employer Branding:

- Citywide onboarding
- Path to Leadership training
- Web-based and classroom trainings
- Employee wellness programs
- Talent development and mentorship programs

The Total Rewards Program provides support to Council, bureaus, and employees. The benefits program supports employee wellness, financial well-being, leave administration, work life balance, and employee safety, and includes the administration of software systems and communications supporting benefit plan participants.

Classification and Compensation (Class/Comp) develops and manages the City's job classification and compensation plans and system by ensuring the City has a consistent methodology for classifying jobs from a Citywide perspective. Proper alignment of job classifications provides a competitive advantage in marketing the City as an employer and allows the City to recruit and retain employees by offering competitive wages and opportunities for career advancement. Class/Comp serves to create equity in compensation and ensure market competitiveness.

## Equity Impacts

As part of the Employer Branding Initiative, the Total Rewards Program works to benefit all employees, specifically employees within communities of color and persons living with disabilities. Healthcare vendor partners are encouraged to establish comprehensive information on network providers, ensuring employees can find healthcare providers by gender, race, and other specialties (e.g., LGBTQ, language). When availability deficiencies are discovered, BHR vendor partners work to recruit and contract with additional providers to improve access.

## Changes to Program

Classification and Compensation, healthcare, employee wellness, and leave programs reside within the Total Rewards program. These programs are not impacted by the reallocation of resources and will not be impacted by the one percent constraint requirement. Additional resources may be needed to achieve initiatives that build and brand the City of Portland as an employer. Combining all programs under one umbrella provides a comprehensive perspective on how these services are offered Citywide.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	128,205,487
Internal Materials and Services	0	0	0	431,274
Personnel	0	0	0	3,007,994
<b>Fund Expense</b>				
Contingency	0	0	0	31,593,310
Debt Service	0	0	0	45,660
Fund Transfers - Expense	0	0	0	274,410
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>163,558,135</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	20.42
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20.42</b>

**Resources:** As described in the Program Description and Goals, the healthcare programs are overseen by separate operating funds. For FY 2019-20, the City anticipates an aggregated increase to healthcare costs of 5.5%.

**Expenses:** The primary expenses of this program are medical claims expenses. Expenses are paid for employees through premium costs paid to Kaiser for insured plans and through claims utilization under the self-funded plans. Expenses are fixed each fiscal year through a rate setting process based upon prior years' experience, enrollment, utilization, trend, and inflation.

**Staffing:** The Total Rewards program has 20.42 funded positions. 1.52 FTE are within the Deferred Compensation program, 1.0 FTE supports the occupational health and well-being program. 2.0 FTE support the Citywide leave program. Additional positions support Health Benefits and Classification and Compensation. Program costs unrelated to healthcare administration are funded through General Fund resources and the Deferred Compensation budget.

**Assets and Liabilities:** N/A

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Cathy Bless

**Website:** [portlandoregon.gov/bhr](http://portlandoregon.gov/bhr)

**Contact Phone:** 503-823-5207

## FY 2019-20 Direction to Develop

**Issue Title:** Centralized Accommodation Fund

**Commissioner(s) Issuing Direction:** All

**Bureau Directed:** BHR

**Issue Overview and Desired Goal/Outcome(s):** The City of Portland is committed to being an Employer of Choice, and strives to develop and support an inclusive, talented workforce through equitable systems, policies and processes.

In 2012, the City of Portland also resolved to be a Model Employer for people with disabilities by increasing employment opportunities for persons with disabilities and creating a welcoming, inclusive workplace.

An essential element of workforce equity for people with disabilities is ensuring that the City of Portland is able to process and fund reasonable workplace accommodations in an efficient, timely, and consistent manner across all City bureaus.

Not only does this approach promote an equitable and inclusive environment for people with disabilities in the City's workforce, it also strengthens the City's compliance with federal and state laws, particularly Title I of the Americans with Disabilities Act (ADA).

Currently, individual Bureaus are responsible for financing all ADA Title I workplace accommodations needed by job applicants, job candidates, interns, elected officials, and employees associated with their Bureau.

The existing structure of financing accommodations at the Bureau level is intrinsically inequitable. As the frequency of ADA Title I accommodation requests and needs are increased, Bureaus with larger budgets can more easily absorb the cost of multiple ADA Title I accommodations than Bureaus with smaller budgets. This inequity leads to unintended, detrimental impacts on the City's workforce in three ways:

1. It fuels inconsistent accommodation experiences for City applicants, interns and employees across different City program areas. Bureaus with smaller budgets are more likely to pursue less expensive and potentially substandard solutions than Bureaus with larger budgets, which are able to readily agree to pay a higher initial cost for more convenient, higher-quality, and/or secure products and services.

2. It creates a possible barrier for Bureaus, especially those with smaller budgets, to avoid hiring employees with disabilities for fear of the impact of ADA Title I accommodation costs.
3. It can inadvertently skew which disability types are hired more often across the City (e.g. hiring more people with disability types that are perceived to have little to no need for workplace accommodations).

A decentralized funding system is also fundamentally a reactive system. Bureaus are generally unlikely to secure funding for ADA Title I accommodations until an urgent need from a job applicant or employee with a disability exists. On the other hand, Bureaus may shy away from interviewing or hiring people with disabilities who could need an accommodation due to a perceived strain on budgets. This “chicken-or-egg” funding approach minimally addresses the needs of job applicants and employees who are here today. It does not proactively or adequately anticipate the needs of applicants and employees who will be here in the future, especially as the City increases its outreach and recruitment efforts for this population.

Lastly, it is vital to note that the City Attorney’s Office has repeatedly emphasized that the City’s legal obligation to fulfill ADA Title I accommodations is not judged based on the resources available to individual Bureaus, but on the resources available to the *entire* City of Portland. Therefore, providing an inadequate or substandard ADA Title I accommodation because of a single Bureau’s financial concerns puts the entire City at risk.

Moving from a decentralized funding model to a centralized system will significantly strengthen the City’s position by mitigating risk and promoting a positive employment experience for people with disabilities.

The Central Accommodations Fund would take into account the needs of both current members of the City of Portland’s workforce and those interviewing for opportunities. It is projected that the Fund will have \$500,000 available for 20+ Bureaus, Offices and other City of Portland program areas. Any City program area can access the Fund at any time, provided that funding requests meet the appropriate criteria. This eliminates accommodation funding inequities and standardizes the quality of our services.

**Desired Funding Options:** On-going General Fund Discretionary

**Additional Requests/Notes:**

## FY 2019-20 Direction to Develop

**Issue Title:** Casual and Temporary Hiring Process

**Commissioner(s) Issuing Direction:** All

**Bureau Directed:** BHR

**Issue Overview and Desired Goal/Outcome(s):** Historically casual, temporary and seasonal positions have not been advertised through NEOGOV to ensure equitable access and opportunity for interested parties to submit interest. This has resulted in the inability to generate Affirmative Action reports on the casual/temporary/seasonal workforce, and selection that is not transparent. Reporting on all employees including temporary staff, as well as posting positions with the state employment agency is a requirement of the Office of Federal Contract Compliance Programs (OFCCP).

BHR confirmed with the Affirmative Action consultant, Berkshire Associates, the historical practice outlined above is out of compliance with OFCCP standards. In the event of an audit the City would be at risk. In addition, BHR met with the City Attorney's office and confirmed that posting all casual, temporary and seasonal positions is necessary from a compliance perspective, in addition to ensuring veteran's preference is appropriately applied.

The goal is to fund 1 FTE to support casual, temporary and seasonal hires. The casual hire volume for FY17, FY18 and FY19 to date is outlined below:

FY17 – 1353

FY18 – 1173

FY19 to date – 232

Total = 2758

Ideally the position would be allocated to an Human Resources Analyst I or II classification with an anticipated starting annual salary of \$65,000 – 70,000.

**Desired Funding Options:** On-going General Fund Discretionary

**Additional Requests/Notes:**

## **FY 2019-20 Direction to Develop**

**Issue Title:** Moving SummerWorks to OMF

**Council Member(s) Issuing Direction:** Mayor Ted Wheeler

**Bureaus Directed:** OMF

**Issue Overview and Desired Goal/Outcome(s):**

OMF is directed to recommend the most appropriate place for the SummerWorks Program to reside within OMF. The response should discuss the benefits of moving the program out of the Mayor's Office budget and into OMF. Potential places within OMF include BHR or Procurement.

**Funding Options:** General Fund ongoing resources that are currently allocated to the Mayor's Office.

## **FY 2019-20 Direction to Develop**

**Issue Title: OEHR and BHR Coordinated Training Program**

**Commissioner(s) Issuing Direction:** Commissioner Fritz, Mayor Wheeler

**Bureau(s) Directed:** Office of Equity and Human Rights (OEHR) and the Bureau of Human Resources within the Office of Management and Finance (BHR – OMF)

**Issue Overview and Desired Goal/Outcome(s):** The City needs a more robust, coordinated training program in both BHR and OEHR. There are insufficient staff in both bureaus to meet the training needs and requests of bureaus Citywide, both for basic required trainings and advanced/tailored trainings. BHR and OEHR are directed to together develop a proposal for new resources to cover this need.

**Funding Options:** New resources.

**Additional Requests/Notes:** none.

**DP: 7635 - Casual and Temporary Hiring Process**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

Historically casual, temporary, and seasonal positions have not been advertised through NEOGOV, which would ensure equitable access and opportunity for interested parties to submit interest. This has resulted in the inability to generate Affirmative Action reports on the casual/temporary/seasonal workforce, and selection that is not transparent. Reporting on all employees including temporary staff, as well as posting positions with the state employment agency is a requirement of the Office of Federal Contract Compliance Programs (OFCCP).

BHR confirmed with the Affirmative Action consultant, Berkshire Associates, the historical practice outlined above is out of compliance with OFCCP standards. In the event of an audit, the City would be at risk. In addition, BHR met with the City Attorney's Office and confirmed that posting all casual, temporary, and seasonal positions is necessary from a compliance perspective, in addition to ensuring veteran's preference is appropriately applied.

**Service Impacts**

The goal of posting all temporary/casual positions is to meet regulatory compliance requirements and increase the visibility of limited term opportunities through competitive selection. In addition, this will allow BHR to generate complete Affirmative Action reports that include the City's temporary workforce.

By adding an additional resource to support temporary hiring, BHR will have the ability to post casual/temporary positions within two days of receiving the request. The casual recruitment volume, candidate pool demographics and list generation metrics will be published on the HR Dashboard monthly.

In the absence of an additional resource, there will be delays in posting the positions, which could result in operational impacts to City bureaus.

Additionally, it is a Federal requirement to post open positions with the state employment agency for positions that are not at the executive level, not slated to be filled internally, and will last more than three days.

**Equity Impacts**

Posting temporary positions through NEOGOV will provide the ability to create talent pipelines and encourage matriculation to regular roles.

Advertising casual/temporary roles will allow a competitive process to identify the most qualified candidates for the positions. The increased access to City jobs will create a more equitable experience for job seekers. As stated above, BHR is responsible for generating Affirmative Action reporting. Currently, BHR cannot include temporary workforce information as applicant data is not present in NEOGOV.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
100000	External Materials and Servi	2,500	0	0	0	0
100000	Internal Materials and Servic	5,000	0	0	0	0
100000	Personnel	126,697	0	0	0	0
		<b>134,197</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
100000	General Fund Discretionary	134,197	0	0	0	0
100000	General Fund Overhead	0	0	0	0	0
		<b>134,197</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**Position Detail**

Job Class - Name	FTE	Salary	Supplemental	Benefit	Total
30003064 - Human Resources Analyst II	1.00	84,354	0	35,890	126,697

**Decision Package Summary**

Details

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<b>Position Detail</b>					
<b>Job Class - Name</b>	<b>FTE</b>	<b>Salary</b>	<b>Supplemental</b>	<b>Benefit</b>	<b>Total</b>
<b>Total</b>	<b>1.00</b>	<b>84,354</b>	<b>0</b>	<b>35,890</b>	<b>126,697</b>

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**Decision Package Summary**

Run Date: 1/31/19

Details

Run Time: 4:56:55 PM

**DP: 7660 - Citywide Accommodation**

DP Type	Priority	New
ADD	0	Yes

**Package Description**

Currently, individual bureaus are expected to finance all Americans with Disabilities Act (ADA) Title I workplace accommodations needed by job applicants, job candidates, interns, and employees with disabilities within their bureau. While this legal obligation applies equally to all City bureaus, the budgetary resources available at the bureau level vary widely. These financial differentials fuel inconsistent accommodation experiences in addition to posing an unintentional barrier to interviewing, hiring, and retaining multiple employees with disabilities who may have accommodation needs.

Additionally, the City Attorney's Office has confirmed that the legal system will consider the entirety of the City's resources to determine if an accommodation is unreasonable. An individual bureau being unable or unwilling to provide a reasonable Title I accommodation due to financial concerns therefore places the City at risk.

A Central Accommodations Fund would eliminate any financial disincentive for bureaus to interview, hire, and retain multiple employees with disabilities. To access the Fund, certain criteria would have to be met and approval gained from a Human Resources Business Partner (HRBP). It is projected that the Fund would have \$500,000 available for any City entity to utilize on an as-needed basis to provide ADA Title I accommodations.

**Service Impacts**

It is expected that a Central Accommodations Fund will support bureaus in increasing their rate of interviewing, hiring, and retaining applicants and employees with disabilities. Providing a clear and definitive funding stream will facilitate efficiency and timeliness in procuring services and products needed to fulfill an accessibility need.

The day-to-day administration of the Fund will likely be managed by BHR. ADA Title I accommodation requests and rate of approval for the Fund will be tracked by the HRBPs and monitored by existing BHR staff, including BHR's Disability Resources and Employment Specialists. Quarterly reports on the Fund's performance will be provided to the City's executive leadership, BHR's Employee Relations team, and other relevant City stakeholders. Measures to protect applicant and employee confidentiality in any shared report will be of significant priority, in compliance with the Health Insurance Portability and Accountability Act (HIPAA) standards.

**Equity Impacts**

The Central Accommodation Fund directly supports workplace equity for people with disabilities by allocating sufficient funds to cover the costs of ADA Title I accommodations, as well as streamlining the funding mechanism so that no time is wasted while acquiring an accommodation. It is important to mention that the Fund supports any City applicant or employee with a disability, including those who are also members of underrepresented communities (e.g., people of color, veterans, LGBTQIA).

For people living with disabilities, an essential component of workplace equity is accessibility. It is impossible to achieve workplace equity for people with disabilities without ensuring that accommodation needs are supported in an efficient, timely, and consistent manner. The Fund is a vital step forward for the City of Portland in fulfilling its public commitment to be a Model Employer and Employer of Choice for persons living with a disability.

Budget Detail						
Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
700000	External Materials and Servi	500,000	0	0	0	0
		500,000	0	0		0
	<b>Major Object Name</b>	<b>Revenue</b>				
700000	General Fund Discretionary	500,000	0	0	0	0
		500,000	0	0		0
		0	0	0		0

**Decision Package Summary**

Details

**DP: 7680 - SummerWorks Reorganization**

**DP Type**

**Priority**

**New**

REAL

0

No

**Package Description**

This decision package moves the SummerWorks program from the Mayor's Office to the Bureau of Human Resources.

**Service Impacts**

\$560,000 of ongoing General Fund Overhead and Discretionary is being moved from the Mayor's Office budget to the Bureau of Human Resources. \$550,000 of the funding is for wages with the remaining \$10,000 covering ancillary costs. The \$550,000 will cover the cost of 197 youth participants.

**Equity Impacts**

This realignment will provide the SummerWorks program with a stable home outside of a Council Office. SummerWorks is a publicly funded paid summer internship program for diverse young adults ages 16-24 in the Portland Metro area. The purpose of the SummerWorks program is to train potential interns to be work ready and then connect them to job coaches that will help them access the paid internships during the summer months. The jobs and internship opportunities available are with real employers doing real work. Employers and SummerWorks staff work together to match candidates with meaningful internships and create on-the-job goals.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
100000	External Materials and Servi	560,000	0	0	0	0
		<b>560,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
100000	General Fund Discretionary	263,200	0	0	0	0
100000	General Fund Overhead	296,800	0	0	0	0
		<b>560,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**DP: 7806 - OEHR and BHR Coordinated Training Prog**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

The Workforce Recruitment & Training team has identified opportunities to strategically create, consolidate, and enhance existing training programs using four core competencies: equity, transparency, communication and collaboration. As of January 2019, roughly 17% of all new City employees have not take Equity 101 training within the first 90 days of hiring due to resource constraints. The classes fill-up extremely fast and the City needs to provide solution to increase the supply and effectiveness of equity trainings. Through citywide focus groups and a collaborative effort, we will develop comprehensive training programs that focus on creating a work environment that is inclusive and equitable for all employees. This approach will only be effective through partnerships with bureaus and intentionally reinforcing messages through action, processes and systems. We believe we do not need a high quantity of trainings citywide, rather we need to focus on facilitating engaging and high-quality workshops using a strategic approach to organizational change and shifting behavior. Although the initial rollout would focus on supervisors and managers, these trainings will be offered to all city employees. This package requests on-going appropriation to fund a Human Resources Analyst II position and materials and services to fund training expenses.

**Service Impacts**

Workforce Recruitment and Training provides a consistent stakeholder experience and heightened visibility for equitable citywide training opportunities. The training offered will promote a high-level of stakeholder customer service, with a focus on enhancing engagement and retention, as well as improving the City culture. This package would augment the City's current equity training portfolio and provide an enhanced quantity of equity training(s).

**Equity Impacts**

All efforts and strategies in WRT focus on equity. The trainings offered will be highly interactive and will align with the City's strategic and racial equity goals. Training programs will be continually evaluated through both quantitative and qualitative data, as well as participant and stakeholder feedback to ensure meaningful, equitable, and relevant learning opportunities are provided.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
100000	External Materials and Servi	7,500	0	0	0	0
100000	Personnel	126,697	0	0	0	0
100001	External Materials and Servi	50,000	0	0	0	0
		<b>184,197</b>	<b>0</b>	<b>0</b>		<b>0</b>

	<b>Major Object Name</b>	<b>Revenue</b>				
100000	General Fund Discretionary	63,073	0	0	0	0
100000	General Fund Overhead	71,124	0	0	0	0
100001	General Fund Discretionary	23,500	0	0	0	0
100001	General Fund Overhead	26,500	0	0	0	0
		<b>184,197</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**Position Detail**

Job Class - Name	FTE	Salary	Supplemental	Benefit	Total
30003064 - Human Resources Analyst II	1.00	84,354	0	35,890	126,697
<b>Total</b>	<b>1.00</b>	<b>84,354</b>	<b>0</b>	<b>35,890</b>	<b>126,697</b>

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Charges for Services	61,544,510	96,266,834	107,668,692	110,638,843	110,638,843	
Miscellaneous	1,489,481	514,045	508,965	661,029	661,029	
<b>Total External Revenues</b>	<b>63,033,991</b>	<b>96,780,878</b>	<b>108,177,657</b>	<b>111,299,872</b>	<b>111,299,872</b>	
General Fund Discretionary	0	0	0	0	500,000	
Interagency Revenue	0	0	237,499	256,236	256,236	
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>237,499</b>	<b>256,236</b>	<b>756,236</b>	
Beginning Fund Balance	22,958,693	24,696,917	22,632,366	19,076,761	19,076,761	
<b>Total Resources</b>	<b>85,992,684</b>	<b>121,477,795</b>	<b>131,047,522</b>	<b>130,632,869</b>	<b>131,132,869</b>	
<b>Requirements</b>						
Personnel Services	1,562,582	1,746,530	2,056,039	2,134,186	2,134,186	
External Materials and Services	58,982,874	96,034,628	113,230,197	110,704,592	111,204,592	
Internal Materials and Services	427,082	398,186	443,890	424,628	424,628	
<b>Total Bureau Expenditures</b>	<b>60,972,538</b>	<b>98,179,344</b>	<b>115,730,126</b>	<b>113,263,406</b>	<b>113,763,406</b>	
Debt Service	36,092	39,574	43,046	45,660	45,660	
Contingency	0	0	14,952,954	17,049,393	17,049,393	
Fund Transfers - Expense	287,136	318,157	321,396	274,410	274,410	
<b>Total Fund Expenditures</b>	<b>323,228</b>	<b>357,731</b>	<b>15,317,396</b>	<b>17,369,463</b>	<b>17,369,463</b>	
Ending Fund Balance	24,696,917	22,940,720	0	0	0	
<b>Total Requirements</b>	<b>85,992,684</b>	<b>121,477,795</b>	<b>131,047,522</b>	<b>130,632,869</b>	<b>131,132,869</b>	

## Fund Overview

The Health Insurance Operating Fund collects revenue and pays expenses incurred for medical, dental, vision and prescription drug claims, claims administration, internal administration, chronic disease management, and stop-loss insurance for the insured programs (e.g. Kaiser medical/dental/vision, life insurance and disability programs) and self-funded CityCore, CityBasic and dental programs elected by most City employees, COBRA enrollees, retirees and other casual employees who gain access to coverage through the Affordable Care Act or collective bargaining agreements.

**Managing Agency** Office of Management & Finance, Bureau of Human Resources

## Significant Changes from Prior Year

In FY 2018-19, the CityCore plan lowered the individual out of pocket, in-network maximum from \$2,500 to \$1,800. No other material changes were implemented. The City will continue to pursue effective chronic disease management programs and evaluate plan design options to reward employees for healthy behaviors as a strategy to moderate future cost growth.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Charges for Services	0	19,325,243	19,902,314	18,797,252	18,797,252	
Miscellaneous	7,177,051	1,352,682	198,320	258,188	258,188	
<b>Total External Revenues</b>	<b>7,177,051</b>	<b>20,677,925</b>	<b>20,100,634</b>	<b>19,055,440</b>	<b>19,055,440</b>	
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	0	7,177,051	7,177,052	12,909,372	12,909,372	
<b>Total Resources</b>	<b>7,177,051</b>	<b>27,854,976</b>	<b>27,277,686</b>	<b>31,964,812</b>	<b>31,964,812</b>	
<b>Requirements</b>						
External Materials and Services	0	16,629,073	20,452,448	17,420,895	17,420,895	
<b>Total Bureau Expenditures</b>	<b>0</b>	<b>16,629,073</b>	<b>20,452,448</b>	<b>17,420,895</b>	<b>17,420,895</b>	
Contingency	0	0	6,825,238	14,543,917	14,543,917	
<b>Total Fund Expenditures</b>	<b>0</b>	<b>0</b>	<b>6,825,238</b>	<b>14,543,917</b>	<b>14,543,917</b>	
Ending Fund Balance	7,177,051	11,225,903	0	0	0	
<b>Total Requirements</b>	<b>7,177,051</b>	<b>27,854,976</b>	<b>27,277,686</b>	<b>31,964,812</b>	<b>31,964,812</b>	

## Fund Overview

The Portland Police Association (PPA) Health Insurance Fund collects revenue and pays expenses incurred for medical, dental, vision, prescription drug claims, claims administration, internal administration, and chronic disease management for the self-funded CityNet medical and dental/vision programs and the insured programs (e.g. Kaiser medical/dental and vision).

Sworn employees of the Police Bureau who are members of the Portland Police Association (PPA), retirees of the PPA, and COBRA participants who are eligible employees or dependents of a PPA members have their claims and premiums managed and paid within this fund. To manage the risk of this plan, large claims above \$100,000 are paid through stop loss insurance which is purchased through a third-party administrator.

**Managing Agency** Office of Management & Finance, Bureau of Human Resources

## Significant Changes from Prior Year

FY 2017-18 was the first year of the Portland Police Association (PPA) Health Insurance Fund, moving PPA members to a self-funded model within the City's portfolio. This change was established through collective bargaining. Previously, the City purchased insured health plans on behalf of the PPA and no independent fund was required for the administration of healthcare. There were no significant changes to this fund in FY 2018-19.



# BUREAU OF REVENUE AND FINANCIAL SERVICES

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# Bureau of Revenue and Financial Services

## Overview

The Bureau of Revenue and Financial Services (BRFS) is comprised of seven divisions: Accounting, Debt Management, Grants Management, Procurement Services, Treasury, Risk Management, and Revenue. The Revenue Division collects approximately 49% of the City's General Fund revenue (excluding fund transfers and beginning balance).

Under the direction of the Chief Financial Officer (CFO), BRFS provides Citywide financial management services to City bureaus in addition to collecting City General Fund and other revenues that support a wide range of City programs and funding initiatives. BRFS serves as the SAP finance and logistics business process owner. In FY 2017-18, OMF's Risk Management Division was moved to the Bureau of Revenue and Financial Services.

In addition to the financial management services described above, BRFS, through its Chief Financial Officer, provides strategic financial advice to the City Council on a wide range of financial issues, with specific focus on long-term financial health, fiscal indicators, and sustainability.

## CIP Highlights

The Bureau of Revenue and Financial Services (BRFS) FY 2020-24 Capital Improvement Plan (CIP) includes \$28.7 million in technology infrastructure investments over the five-year period starting in FY 2019-20. The CIP budget is estimated to exceed \$10 million in FY 2019-20.

The most significant project in the CIP is the Integrated Tax System (ITS), which replaces the Revenue Division's aging tax administration systems with a single system that can administer existing and future tax programs, improves reliability of our technical support structure, allows the secure integration of federal tax information (FTI), and increases customer service levels to meet modern expectations for accessibility and self-service. The cost is expected to be \$10 million in FY 2019-20 and a total of \$20 to \$30 million over approximately three to four years. The projected ITS expenses represent about 93% of the total financial need for the BRFS CIP.

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**Major Issues**

The cost of the ITS represents the most significant issue in the BRFS Capital Improvement Project Plan. Additionally, the following major decisions will be required of the ITS project, which will have budgetary delivery impacts.

- ◆ Installation choice – The bureau can have either a hosted ITS or one that is installed fully on premises. It has yet to discern if the two choices present different overall total cost or benefit/risk to the City.
- ◆ Application support model – The bureau yet to determine if it will have vertical apps developers from the Bureau of Technology Services (BTS) embedded within the Business Solutions Division, or if it will rely on vendor developers. The bureau does not yet know the cost and benefit/risk associated with each option.
- ◆ Funding model – The bureau can either use benefits-based funding (vendor financed) or traditional funding (City financed). Benefits-based funding results in a 10-15% premium in total cost over traditional funding. Within traditional funding, BRFS has not determined its internal financing options and the costs or benefit/risk tied to those options.

The ITS project will also address or impact the following potential areas.

- ◆ Legislative – Future tax code modifications and new tax structures will be more easily configurable and maintainable within an off-the-shelf system.
- ◆ Service Delivery – Tax preparers and tax filers should see a significant improvement in service delivery.
- ◆ Environmental – There will be significant decreases in paper filings as Modernized eFile gains in adoption rates.
- ◆ Economic – With significant increases expected in compliance, revenue collection is expected to increase with the new ITS system.

**Changes from Prior Year**

FY 2019-20 is the first formal submission of a Capital Improvement Plan for BRFS.

**Council Goals and Priorities**

The The BRFS CIP maintains and improves the bureau’s core information systems which are vital to Citywide revenue collection, procurement, accounting and financial reporting, debt management and treasury functions. In this regard, the CIP directly and indirectly supports Council’s initiatives, goals, and objectives through the services and products it provides for other City bureaus.

Economic health and growth is a Council priority, and BRFS’s programs streamline financial reporting, evaluate equity of public services, increase City General Fund revenues, and reduce social, economic and environmental losses from hazards. BRFS also uses its software to build a more mobile, accessible, reliable, efficient, and consolidated technology infrastructure to reduce administrative workload on bureaus with a specific focus on streamlining business processes. BRFS utilizes procurement to acquire goods and services for the City while promoting a healthy regional economy by efficiently completing bidding cycles, assuring equitable use of contracting dollars, and assuring timely payments to contractors and vendors. Planned and budgeted procurement practices that are fair, efficient, effective and accountable meet both Council and City priorities while helping to maintain a robust and modern infrastructure for the good of the public.

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**Criteria** To the extent possible, BRFS sets aside resources for the maintenance and replacement of existing technology assets. The bureau has been successful in doing so for all but one project in its CIP – the Integrated Tax System. The cost of this project represents 93% of the entire five-year CIP resource need.

## Capital Planning and Budgeting

**Capital Planning Process** The inaugural BRFS CIP was compiled through the initiative of the CFO working with division managers and OMF analysts to identify, record, and project present and future capital projects. Working with the CFO, BRFS managers identified all current and future capital projects as well as possible funding sources. Program managers documented project descriptions, key benefits, alignment with critical business needs and various goals and strategies, five-year financial forecasts, and estimated five years of ongoing maintenance impact. This information was compiled, vetted by leadership, and ultimately submitted with the OMF FY 2019-20 Requested Budget.

**Connection to Plans** The BRFS CIP connects to the Comprehensive Plan by supporting the City’s tax revenue collections to keep pace with residential demand for municipal services. It also improves economic resilience through future-modeling software, consolidated and modernized revenue collection, and an equitable procurement process. Software assets also support bureaus in their community-facing work such as providing housing and maintaining public facilities and services. The BRFS CIP also connects to the Office of Management and Finance (OMF) Strategic Plan via the adoption of 21st century business solutions. It maximizes revenue collection to meet the needs of residents, adopts new shared technology platforms, and reduces administrative workload on bureaus by streamlining business processes.

**Financial Forecast Overview** BRFS has limited resources to fund new capital projects and has strategically used one-time savings to fund CIP projects. Besides ITS, BRFS expects that ongoing maintenance costs will be covered within existing operating budgets without increasing interagency rates above inflation. Besides ITS, the methodology used to determine the net financial impact of projects are high confidence because of existing contracts set up with vendors. See ‘Major Issues’ above for a summary of challenges facing ITS cost projections for implementation and maintenance.

**Asset Management and Replacement Plan** BRFS currently uses several software tools whose costs are supported by the General Fund and interagency agreements. BRFS has also established a technology replacement within BTS for CIP projects using one-time budget savings. Aside from the ITS project, ongoing maintenance costs are generally low for software subscription services, though more options need to be explored to fund maintenance and upgrades to Procurement’s recent software upgrades. As more systems move to the cloud, financial costs for maintenance and customer support go down. See ‘Major Issues’ above for a summary of challenges facing ITS implementation and maintenance.

## Capital Programs and Projects

**Capital Program Descriptions** BRFS does not have a comprehensive capital program, but individual projects that produce division deliverables and support other City bureau needs. See the ‘Major Projects’ section below for more information on current projects.

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**Funding Sources**

Funding sources for the BRFS CIP include general fund discretionary, interagency agreements, City investment pool earnings and draws upon the technology replacement set aside.

**Major Projects**

**CAFR Software Replacement:** This software is used to compile the City's annual Comprehensive Annual Financial Report (CAFR). The software receives data from SAP and organizes into the required format for governmental fund accounting. This tool ensures timely financial reporting and helps the City to maintain its AAA credit rating. This project will be implemented in FY 2018-19 and may be replaced in FY 2023-24.

**DBC:** This software is Debt Management's primary bond modeling and debt analysis tool. It provides automated debt sizing and streamlines analysis for debt decision making. Since many of the City's capital projects are funded by debt financings, this software is critical to the capital planning and execution of debt financing in the City.

**GovInvest:** This actuarial modeling and visualization software is used by CBO, BHR, PFDR, and BRFS to analyze the City's pension and other-post-employment benefits (OPEB) liabilities. Since the City has significant long-term obligations for pension liabilities (FPDR) and OPEB, it is critical that financial analysts have tools to conduct real-time analysis on these liabilities and present their findings to policy makers.

**Procurement Services Technology Update Project:** These software programs relate to vendor registration, bidding, and compliance tracking including DMWESB compliance. The new programs overcome significant limitations of previous programs, resulting in major business process efficiencies. A critical need for the necessary tools and reporting capability to provide contracting data to its customers and the public in a timely manner has been realized.

**Net Operating and Maintenance Costs**

It is too early in the ITS project to describe methodology, but for subscription-based software systems, operating and maintenance costs are established in conjunction with the vendor. Aside from the ITS project, future impact of operating and maintenance costs on revenue sources is projected to be minimal given that these costs are included within ongoing operations budgets.

**Summary of Division Budget**

	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Requested FY 2018-19
<b>Resources</b>					
<b>External Revenues</b>					
Taxes	30,403,126	35,256,314	37,086,000	36,166,000	36,166,000
Miscellaneous Fund Allocations	0	0	(4,970,376)	0	0
Licenses & Permits	5,452,767	5,641,039	7,324,901	6,236,066	6,236,066
Charges for Services	134,343	197,651	5,127,310	1,518,300	1,987,800
Intergovernmental	2,351,617	2,408,004	3,134,912	1,844,274	1,844,274
Bond & Note	8,000,000	10,000,000	0	13,060,500	13,060,500
Miscellaneous	1,851,625	2,139,313	2,652,503	10,045,260	10,045,260
<b>Total External Revenues</b>	<b>48,193,478</b>	<b>55,642,320</b>	<b>50,355,250</b>	<b>68,870,400</b>	<b>69,339,900</b>
<b>Internal Revenues</b>					
General Fund Discretionary	10,364,642	10,645,042	11,362,907	7,423,214	20,092,665
General Fund Overhead	4,768,042	4,879,419	5,076,012	4,491,404	4,978,418
Interagency Revenue	20,884,730	21,812,951	20,906,504	23,218,424	23,468,424
<b>Total Internal Revenues</b>	<b>36,017,414</b>	<b>37,337,412</b>	<b>37,345,423</b>	<b>35,133,042</b>	<b>48,539,507</b>
Beginning Fund Balance	8,083,711	9,308,525	83,187,860	73,368,842	73,368,842
<b>Total Resources</b>	<b>\$92,294,603</b>	<b>\$102,288,258</b>	<b>\$170,888,533</b>	<b>\$177,372,284</b>	<b>\$191,248,249</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	18,374,548	18,897,401	20,810,330	21,114,556	25,442,324
External Materials and Services	44,648,741	47,507,183	62,853,752	54,767,379	61,596,679
Internal Materials and Services	9,068,955	9,714,122	8,085,732	9,938,881	12,657,778
<b>Total Bureau Expenditures</b>	<b>72,092,244</b>	<b>76,118,706</b>	<b>91,749,814</b>	<b>85,820,816</b>	<b>99,696,781</b>
<b>Fund Expenditures</b>					
Debt Service	46,180	47,889	10,196,880	6,771,774	6,771,774
Contingency	0	0	57,221,692	71,493,170	71,493,170
Fund Transfers - Expense	439,793	370,482	400,513	13,286,524	13,286,524
<b>Total Fund Expenditures</b>	<b>485,973</b>	<b>418,371</b>	<b>67,819,085</b>	<b>91,551,468</b>	<b>91,551,468</b>
Ending Fund Balance	9,308,525	12,574,484	11,319,634	0	0
<b>Total Requirements</b>	<b>\$81,886,742</b>	<b>\$89,111,561</b>	<b>\$170,888,533</b>	<b>\$177,372,284</b>	<b>\$191,248,249</b>
<b>Programs</b>					
Administration & Support	159	500	0	0	0
Workers' Compensation	3,978	0	0	0	0
Outside Services	319,638	319,259	0	0	0
Revenue Collection	45,289,650	48,189,755	50,341,107	0	0
Treasury	1,190,138	1,219,947	1,446,710	1,514,421	1,514,421
Procurement	5,197,087	5,357,818	7,492,116	7,714,725	8,633,620
Broadband and Cable Communications	1,593,768	1,704,192	11,089,933	0	0
Human Resources Development	158	0	0	0	0
Risk Management	13,644,678	14,613,685	16,585,082	16,718,673	16,968,673
Revenue Division	0	0	0	55,328,655	68,035,725
Grants Management	716,673	767,669	902,965	1,004,275	1,004,275
Regulatory	1	0	0	0	0
Neighborhood Safety	276	0	0	0	0
Accounting	2,606,199	2,489,941	2,694,271	2,696,586	2,696,586
Commercial Insurance	443	435	0	0	0
Franchise Management	856,546	940,407	376,174	0	0

Summary of Division Budget

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	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Requested FY 2018-19
Debt Management	663,531	510,725	821,456	843,481	843,481
Liability	4,704	4,371	0	0	0
<b>Total Programs</b>	<b>72,087,626</b>	<b>\$76,118,706</b>	<b>\$91,749,814</b>	<b>\$85,820,816</b>	<b>\$99,696,781</b>

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**FTE Summary**

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30000063	Accountant II	59,114	74,402	2.00	148,803	2.00	148,803	2.00	148,803
30000064	Accountant III	65,083	81,848	10.00	770,231	10.00	789,724	10.00	789,724
30002283	Accountant IV	69,971	88,005	3.00	240,573	3.00	246,157	3.00	246,157
30003001	Accounting Supervisor	63,336	105,373	2.00	177,600	2.00	177,600	2.00	177,600
30000061	Accounting Technician	37,461	53,789	2.00	91,250	2.00	93,964	2.00	93,964
30003003	Administrative Specialist II	48,277	89,523	5.00	378,550	5.00	378,550	5.00	378,550
30003006	Analyst I	53,290	98,800	8.00	679,202	8.00	679,202	8.00	679,202
30003007	Analyst II	63,336	105,373	9.00	724,288	8.00	702,053	9.00	787,053
30003201	Auditor - Administrative Specialist II	48,277	89,523	0.00	0	1.00	75,525	1.00	75,525
30003214	Auditor - Coordinator III	63,336	105,373	0.00	0	1.00	98,904	1.00	98,904
30003220	Auditor - Financial Analyst III	69,805	126,318	0.00	0	1.00	98,062	1.00	98,062
30003010	Business Systems Analyst I	53,290	98,800	1.00	75,067	1.00	75,067	1.00	75,067
30003011	Business Systems Analyst II	63,336	105,373	2.00	168,709	1.00	84,354	2.00	168,709
30003012	Business Systems Analyst III	69,805	126,318	1.00	98,904	1.00	98,904	1.00	98,904
30003023	City Treasurer	92,851	162,490	1.00	152,256	1.00	152,256	1.00	152,256
30000066	Claims Technician	49,358	65,437	2.00	127,752	2.00	130,874	2.00	130,874
30000065	Claims Technician, Assistant	38,314	55,245	1.00	44,613	1.00	47,071	1.00	47,071
30003026	Controller	92,851	162,490	1.00	152,256	1.00	152,256	1.00	152,256
30003027	Coordinator I - NE	48,277	89,523	2.00	158,996	2.00	158,996	3.00	227,896
30003028	Coordinator II	53,290	98,800	5.00	456,455	5.00	466,742	5.00	466,742
30003029	Coordinator III	63,336	105,373	1.00	98,904	1.00	98,904	1.00	98,904
30003030	Coordinator IV	69,805	126,318	0.00	0	0.00	0	1.00	98,062
30003031	Debt Manager	80,205	140,338	1.00	116,789	1.00	130,645	1.00	130,645
30003038	Director II	130,478	208,770	1.00	178,194	1.00	178,194	1.00	178,194
30003054	Financial Analyst I	53,290	98,800	8.00	653,847	8.00	653,847	8.00	653,847
30003055	Financial Analyst II	63,336	105,373	3.00	283,421	3.00	283,421	3.00	283,421
30003056	Financial Analyst III	69,805	126,318	3.00	343,534	3.00	343,534	3.00	343,534
30003073	Investment Officer	80,205	140,338	1.00	125,736	1.00	125,736	1.00	125,736
30000452	Management Analyst, Sr	74,090	98,904	0.00	0	0.00	0	1.00	74,090
30003081	Manager I	80,205	140,338	2.00	187,491	2.00	222,768	2.00	222,768
30003082	Manager II	92,851	162,490	2.00	212,972	2.00	212,972	2.00	212,972
30003083	Manager III	111,696	189,842	2.00	306,446	2.00	306,446	2.00	306,446
30000013	Office Support Specialist III	47,902	63,482	2.00	103,101	2.00	108,080	2.00	108,080
30000059	Procurement Specialist	58,136	73,195	5.00	332,460	4.00	264,749	5.00	336,349
30000058	Procurement Specialist, Assistant	52,686	61,006	5.00	269,409	5.00	285,127	5.00	285,127
30000060	Procurement Specialist, Sr	68,453	88,837	10.00	731,501	6.00	499,672	10.00	837,477
30000190	Regulatory Program Administrator	72,280	89,398	1.00	50,651	1.00	76,787	1.00	76,787
30000191	Revenue & Tax Specialist I	40,186	53,789	3.00	147,763	3.00	150,145	3.00	150,145
30000192	Revenue & Tax Specialist II	48,090	59,405	12.00	667,719	12.00	696,613	12.00	696,613
30000193	Revenue & Tax Specialist III	50,274	66,581	1.00	50,274	1.00	52,437	6.00	333,289
30000194	Revenue & Tax Specialist IV	54,600	71,011	11.00	641,607	8.00	564,371	13.00	860,355
30000196	Revenue & Tax Specialist V	58,885	76,294	5.00	339,815	5.00	361,482	6.00	425,161
30000404	Revenue Auditor	67,142	89,523	3.00	233,807	3.00	252,013	3.00	252,013
30000405	Revenue Auditor, Sr	74,090	98,904	3.00	279,531	3.00	283,587	3.00	283,587
30003098	Risk Manager	91,728	152,277	1.00	82,483	1.00	152,277	1.00	152,277
30003099	Risk Specialist I	53,290	98,800	2.00	158,642	2.00	158,642	2.00	158,642
30003100	Risk Specialist II	63,336	105,373	2.00	184,559	2.00	184,559	2.00	184,559
30003101	Risk Specialist III	69,805	126,318	4.00	389,199	3.00	348,026	4.00	446,842
30003103	Supervisor I - E	63,336	105,373	1.00	94,058	1.00	94,058	1.00	94,058
30003104	Supervisor II	69,805	126,318	10.00	888,805	8.00	747,729	10.00	946,448

FTE Summary

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
<b>TOTAL FULL-TIME POSITIONS</b>				162.00	12,798,224	152.00	12,691,885	176.00	14,449,746
30000194	Revenue & Tax Specialist IV	54,600	71,011	0.90	63,910	0.90	63,910	0.90	63,910
30000404	Revenue Auditor	67,142	89,523	0.90	66,606	0.90	68,890	0.90	68,890
<b>TOTAL PART-TIME POSITIONS</b>				1.80	130,516	1.80	132,800	1.80	132,800
30003003	Administrative Specialist II	48,277	89,523	0.00	0	0.00	0	1.00	68,900
30003006	Analyst I	53,290	98,800	0.00	0	0.00	0	5.00	380,224
30003007	Analyst II	63,336	105,373	0.00	0	0.00	0	1.00	84,354
30003010	Business Systems Analyst I	53,290	98,800	0.00	0	0.00	0	2.00	152,090
30003011	Business Systems Analyst II	63,336	105,373	0.00	0	0.00	0	2.00	168,709
30003012	Business Systems Analyst III	69,805	126,318	1.00	116,938	0.00	0	2.00	196,123
30003030	Coordinator IV	69,805	126,318	0.00	0	0.00	0	1.00	98,062
30000193	Revenue & Tax Specialist III	50,274	66,581	0.00	0	0.00	0	1.00	56,170
30000194	Revenue & Tax Specialist IV	54,600	71,011	0.00	0	0.00	0	2.00	118,394
30000196	Revenue & Tax Specialist V	58,885	76,294	1.00	76,294	1.00	76,294	1.00	76,294
30003108	Technology Capital Project Manager	91,728	152,277	0.00	0	0.00	0	1.00	122,002
<b>TOTAL LIMITED TERM POSITIONS</b>				2.00	193,232	1.00	76,294	19.00	1,521,322
<b>GRAND TOTAL</b>				165.80	13,121,972	154.80	12,900,979	196.80	16,103,868

# BRFS - Accounting Division

## Program Description & Goals

Accounting provides centralized accounting operations, financial reporting services, and manages the City's accounting policies, systems, and processes.

By maintaining the financial health and sustainability of the City, the Accounting Division supports the City's goal to deliver efficient, effective, and accountable municipal services, and also supports the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions.

One of Accounting's performance measures highlights the number of Comprehensive Annual Financial Report (CAFR) review audit deficiency comments from external auditors. Over the past several years, the CAFR has received a clean audit opinion from the City's independent financial auditors, with zero deficiencies. Zero deficiencies is the goal, as it indicates that the City's systems and processes meet best practices.

Another performance measure highlights the number of days CAFR is completed after fiscal year end. In FY 2017-18, Accounting met its production goal of 120 days, reflecting steady improvement from 173 days in FY 2014. The FY 2018 CAFR report was submitted to the State of Oregon Audits Division and the Government Finance Officers Association (GFOA) on October 30, 2018, far in advance of the December 31 deadline and the earliest it has been completed to date. This accomplishment establishes the City of Portland as a leader in timely financial reporting.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of CAFR review audit deficiency comments from external auditors	0	0	0	0	0
Number of days CAFR is completed after fiscal year end	135	124	0	120	120

## Explanation of Services

The Accounting Division provides accounting services and financial support to the City. The Accounting Division helps ensure transparency in the City's financial transactions, compliance with City policies, while also providing centralized support to all City bureaus.

Program activities include:

- Preparing financial reports, including the CAFR and the Popular Annual Financial Report (PAFR) that comply with current accounting principles and regulatory requirements
- Processing vendor payments, employee reimbursements, accounting journal entries, and general ledger adjustments
- Ensuring City accounting operations result in accurate, complete, and timely information
- Establishing and maintaining Citywide accounting standards, policies, and associated administrative rules

## Equity Impacts

Two years ago, the Accounting Division developed the City's first PAFR. This report summarizes financial information in a straightforward, easy-to-read manner, and is meant to engage the community. In addition, the report has been translated into Chinese, Russian, Spanish and Vietnamese for increased access to community members.

## Changes to Program

Government accounting standards continually evolve and require analysis and implementation as appropriate. Cyberthefts and financial fraud schemes require vigilant review of controls over the City's financial operations.

BRFS has attempted to meet the one percent budget constraint by budgeting vacancy savings and employing other efficiency measures to balance division budgets without lowering service levels.

In the past year, the total number of positions in the accounting division has remained consistent. Process efficiencies in the reporting section has allowed for one position to be reclassified and moved to another section to create a needed compliance program within the division.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	91,821	63,838	287,678	98,666
Internal Materials and Services	260,301	465,418	254,078	238,702
Personnel	2,249,591	1,960,695	2,152,515	2,359,218
<b>Fund Expense</b>				
Debt Service	0	0	10,000,000	0
<b>Sum:</b>	<b>2,601,713</b>	<b>2,489,950</b>	<b>12,694,271</b>	<b>2,696,586</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	21.17	18.17	18	17.86
<b>Sum:</b>	<b>21.17</b>	<b>18.17</b>	<b>18</b>	<b>17.86</b>

**Resources:** Primary resources are from the General Fund discretionary and overhead. In addition, several small interagency agreements are in place, which pay for accounting services beyond baseline levels.

**Expenses:** Approximately 80% of the division expenses are personnel services. All of the approved FTE positions are critical to the success of the division. External and internal materials and services expenses are needed to support the program, including training for career development and professional certifications.

**Staffing:** The Controller implemented a reorganization effort in FY 2014-15, which created a support team and reclassified three positions to provide growth opportunities and succession planning. In September 2017, the Accounts Receivable team were transitioned to the Revenue Division to achieve process efficiencies. Accounting's current staff consists of 1.0 Controller/Deputy CFO, 1.0 Assistant Controller/Accounting Manager, 2.0 Accounting Supervisors, 1.0 Financial Analyst II, 1.0 Financial Analyst, 3.0 Accountant IV, 8.0 Accountant III, 1.0 Accounting Technician.

**Assets and Liabilities:** Computer hardware is part of the BTS lifecycle replacement plan. The division recently procured a new CAFR preparation software solution, and implementation is currently underway. Therefore, total asset value is unknown at this time.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Michelle Kirby

**Website:** [portlandoregon.gov/brfs](http://portlandoregon.gov/brfs)

**Contact Phone** 503-823-4358

# BRFS - Grants Management

## Program Description & Goals

The Grants Management Division is responsible for the management and oversight of all incoming federal, state, private grants, and outgoing Special Appropriations grants and contracts.

The goals of the Grants Management Division are to minimize the City's potential financial liability with respect to allowable costs, work to eliminate audit findings by grantors and auditors, maximize the City's cash flow from grantors, provide transparency for outgoing grants, and prepare the City's federally required Single Audit Report.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of grant audit findings	0	N/A	0	0	0

## Explanation of Services

The Grants Management Division was created to minimize the City's potential financial liability and comply with all grant regulations and requirements. By maintaining oversight of federal programs and having minimal audit findings, the City continues to be considered a low-risk grantee. Maintaining a low-risk grantee status can result in continued federal funding and fewer audit requirements.

Services include:

- Serving as a technical resource for bureau staff in preparing and submitting grant applications and grant ordinances
- Maintaining grant information in SAP, submitting expenses to grantors for reimbursement, and preparing required grant financial reports
- Maintaining an administrative and monitoring system that ensures bureaus perform in accordance with the terms, conditions, and specifications of their grants, and that all Progress and Financial Reports are completed and submitted on time
- Ensuring bureaus develop monitoring programs for their sub-recipients
- Preparing the City's annual Schedule of Expenditures of Federal Awards (SEFA)
- Managing the City's Special Appropriations Program that awards grants to external organizations
- Serving as the City's lead for funding associated with federal disaster declarations

## Equity Impacts

The Grants Management Division assures Citywide compliance of federal regulations related to equity. Day-to-day operations of grants is managed by bureaus and the program-specific equity impacts will be reported with bureau grant budgets and Special Appropriations program budgets.

## Changes to Program

In FY 2017-18, GMD created an OSS-III to help address the growing workload of the division due to Special Appropriations and the implementation of the City's 1% for Community Opportunity and Equity Program (COEP). Special Appropriations assignments were distributed across the team and the OSS-III was to be dedicated to supporting the COEP Program. Due to uncertainty in the management of the COEP program, the OSS-III was not filled immediately and a temporary Community Services Aide was hired to assist with the program workload. Separately, GMD conducted a staffing & workload analysis which showed Special Appropriations workload exceeded the resources originally allocated to the Division for this work in FY 2016-17 by approximately 1.0 FTE due to significant program growth. Given a recent decision that the majority of responsibility for COEP program administration would move to Prosper Portland, and rather than requesting general fund resources, GMD has budgeted administrative fees across the Special Appropriations and other similar programs assigned to the division to address this workload need.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	32,759	20,186	44,464	23,413
Internal Materials and Services	56,084	64,034	68,380	74,041
Personnel	627,725	683,450	790,121	906,821
<b>Sum:</b>	<b>716,568</b>	<b>767,669</b>	<b>902,965</b>	<b>1,004,275</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	5.15	5.82	7	6.36
<b>Sum:</b>	<b>5.15</b>	<b>5.82</b>	<b>7</b>	<b>6.36</b>

**Resources:** This program offer is funded through General Fund resources.

**Expenses:** A sizable percentage of the budget supports staff with a small percentage of external and internal materials & services, which includes a training allocation for staff.

**Staffing:** The net result of the "Changes to Resources" described above is that staffing levels will remain static in FY 2019-20. The seventh FTE reported in the table for 2019 is the CFO, who in that budget year was reflected as part of this division.

**Assets and Liabilities:** N/A

## Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Sheila Craig

**Website:** [portlandoregon.gov/brfs](http://portlandoregon.gov/brfs)

**Contact Phone:** 503-823-6863

# BRFS - Debt Management

## Program Description & Goals

The City of Portland issues a variety of debt instruments to raise capital for construction projects, acquire equipment and facilities, and refinance existing debt. Within the Bureau of Revenue and Financial Services (BRFS), the Debt Management Division directs the City's debt finance program to ensure access to both public and private capital markets in a timely manner that address bureau needs. The City's debt consists of publicly issued long-term bond issues, private placements of debt obligations, and credit facilities.

The goal of the Debt Management Division is to administer the City's debt program in a manner that achieves the lowest borrowing cost and least financial risk. A primary driver of the City's borrowing cost and measurement of risk to its investors is a credit rating. Most of the City's public bond issues are assigned a credit rating by one or more national rating agencies, including Moody's Investors Service and S&P Global Ratings. Credit ratings are based on an independent analysis by financial market professionals and indicate the credit-worthiness of the City's debt obligations. For more than 40 years, the City's unlimited tax general obligation debt has been rated "Aaa," the highest possible rating by Moody's Investors Service. In February 2017, Moody's upgraded the rating on the City's limited tax revenue bonds to "Aaa."

Since May 2010, the City's Lien Water System Revenue Bonds have been rated "Aaa" by Moody's. The underlying ratings for most other types of City revenue bonds are between "Aa1" and "Aa3" by Moody's, and either "AA-" or "AA" by S&P Global Ratings.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Citys unlimited tax General Obligation bond rating (1=Aaa)	1	1	0	1	1

## Explanation of Services

Debt Management's daily activities are critical to achieve the City's financial and infrastructure maintenance goals. Through informed financing decisions, Debt Management supports the City by delivering efficient, effective, and accountable municipal services through:

- Conservatively managing the issuance of new borrowings in accordance with the City's Debt Policies
- Acquiring up-to-date information on financial markets to capitalize on savings opportunities within existing borrowings
- Providing financial expertise and innovative solutions to analyze bureau projects and meet bureau business needs
- Maintaining communications with the City's credit rating agencies and existing investor base through post-issuance continuing disclosure
- Complying with State of Oregon and federal laws regarding debt, including IRS arbitrage rebate and other tax-exempt regulatory requirements

## Equity Impacts

Equity is impacted by providing the necessary capital to cost-effectively fund numerous social-based investments across the City. In FY 2018-19, the Debt Management Division anticipates issuing the City's second bond under the voter-authorized \$258.4 million general obligation bond authorization for affordable housing.

## Changes to Program

Debt Management does not anticipate significant changes at this time.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	52,371	47,381	203,784	213,794
Internal Materials and Services	56,325	53,942	77,539	81,880
Personnel	493,300	409,402	540,133	547,807
<b>Sum:</b>	<b>601,997</b>	<b>510,725</b>	<b>821,456</b>	<b>843,481</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	3.17	3.17	3	2.69
<b>Sum:</b>	<b>3.17</b>	<b>3.17</b>	<b>3</b>	<b>2.69</b>

**Resources:** Debt Management is funded through interagency charges, 25% of which are direct costs to the General Fund. All unspent interagency charges are returned to customer bureaus at year-end.

**Expenses:** Debt Management deploys its resources diligently to provide the most value to City bureaus in the most cost-effective manner. Expenditures primarily include personnel costs, office space, specialized debt modeling software, and financial market information services.

**Staffing:** Debt Management staff includes the Debt Manager, an Analyst III and portions of the City Treasurer and Analyst II positions.

**Assets and Liabilities:** The Debt Management program uses a software subscription service named DBC Finance amounting to approximately \$15,000 a year. The subscription is funded through interagency charges.

## Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/bdfs/69869>

**Program Contact:** Matthew Gierach

**Website:** bdfs/69869

**Contact Phone** 503-823-6822

# BRFS - Procurement Services

## Program Description & Goals

Procurement Services supports City bureaus through the acquisition of high-quality, outsourced supplies, materials, equipment and services in a timely, efficient, and effective manner. Acquisitions are compliant with applicable laws, regulations, and City policies. Procurement Services reports uniformly across all procurement teams on six (6) milestones throughout its business processes to increase transparency and to measure performance relative to service level agreements (SLAs) with bureaus. Since SLAs have only recently been implemented, historic data and service level comparisons are not yet available.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of apprenticeship hours worked on City contracts	18%	17%	0	0	0
Percentage of minority and women hours worked on City construction contracts	27%	24%	0	0	0
Number of prime contracts awarded to Minority, Women, and Emerging Small Businesses contractors	277	242	0	242	277
Percentage of all subcontract dollars awarded to Minority, Women, and Emerging Small Businesses subs for construction and professional services contracts	43%	51%	0	0	0
Cycle-time for construction invitation to bid process	0	0	0	160	160
Cycle-time for Goods and Services request for proposals process	0	0	0	300	300
Cycle-time for Goods and Services invitation to bid process	0	0	0	106	106
	0	0	0	240	240
Cycle-time for Construction request for proposals process	0	0	0	300	300

## Explanation of Services

Procurement Services is comprised of eight teams and programs: Design & Construction Services, Goods & Services, Compliance Services, Minority Evaluator Program (MEP), Prime Contractor Development Program (PCDP), Sustainable Procurement Program, Procurement Card Program, and the Project Management Procurement Related Training Program.

The Design & Construction Services Team is dedicated to bureaus that contract out for architectural, engineering, and other related design services in addition to construction services. This program contains a separate design team and construction team that work collaboratively to provide bureaus with seamless procurement support from the design phase of a project through the award of the construction contract.

The Goods & Services Team supports bureaus in the acquisition of outsourced goods and services that are not construction-related. This program contains a Goods Team and a Services Team that work collaboratively to maintain inventories and provide centralized procurement support. The Services Team provides centralized procurement support for all bureaus in ordinary services, and professional, technical, and expert capacities – excluding construction design services.

Compliance Services includes two programs:

Subcontractor Equity Program - The Subcontractor Equity Program (SEP) requires contractors on specified projects to make subcontracting opportunities available to Disadvantaged Business Enterprises (DBE), Minority-owned Business Enterprises (MBE), Woman-owned Business Enterprises (WBE) and Emerging Small Businesses (ESB) when subcontracting portions of a project. Procurement Services collects and tracks information on contractors as outlined in the SEP requirements.

Workforce Training and Hiring Program – The Workforce Training and Hiring Program (WTHP) requires contractors working on certain construction projects to make efforts to hire and train a diverse workforce, including apprentices, under specified circumstances.

The Minority Evaluator Program (MEP) was initiated following passage of a resolution by City Council in response to the 2009 Disparity Study and is intended to engage diverse members of the community into the City’s evaluation and contractor selection process.

The PCDP was initiated by City Council in July 2012 to create opportunities for State of Oregon-certified firms to obtain prime contracts with the City for construction projects.

The Sustainable Procurement Program provides the framework for City employees to integrate sustainability principles (balancing environmental, social, and economic factors) into procurement decisions.

The City is the leader of a procurement card consortium that consists of several other local government agencies. The program reduces nearly two-thirds of the cost of other payment processing methods, helping the City realize significant cost savings in the manual processing of small purchases.

The Project Manager Training Program provides training for bureau project managers and their staff on procurement-related activities. Specific courses align with project manager job responsibilities for construction; goods and services; and professional, technical, expert areas of procurement.

## Equity Impacts

The division monitors compliance with a variety of Council initiatives designed to address equity on City construction projects and service contracts.

## Changes to Program

In FY 2018-19, Procurement Services reorganized into a new structure with the addition of nine new staff resources approved in the FY 2018-19 Fall Budget Monitoring Process. With the reorganization and additional resources, Procurement Services has established SLAs with customers on the time it takes to complete major procurement processes and execute a contract. In an effort to become more transparent and report on performance relative to the SLAs, Procurement Services has begun uniform reporting across all procurement teams on its workload at six distinct milestones throughout the various procurement processes.

Overall, the Procurement Division was successful in obtaining new interagency agreement funding of \$975,293 and the equivalent of \$164,565 in new General Fund resources to fund 8.0 additional full-time employees (FTE) in FY 2018-19. An additional 1.0 FTE was also added and is to be funded from a different source. The FY 2019-20 full-year impact of these requests, as submitted, is estimated at \$2.2 million in interagency agreement revenue and \$408,858 in ongoing General Fund resources.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	0	0	0	0
External Materials and Services	-3,539	122,375	1,348,583	671,950
Internal Materials and Services	834,841	878,067	578,338	529,017
Personnel	3,803,782	3,796,485	5,153,859	6,513,758
<b>Sum:</b>	<b>4,635,084</b>	<b>4,796,927</b>	<b>7,080,780</b>	<b>7,714,725</b>
	<b>2016-17 Actuals</b>	<b>2017-18 Actuals</b>	<b>2019 Revised Budget</b>	<b>2019-20 Request - V52 -No DP</b>
FTE	37.17	36.17	37	49.36
<b>Sum:</b>	<b>37.17</b>	<b>36.17</b>	<b>37</b>	<b>49.36</b>

**Resources:** Procurement Services is funded primarily by general fund overhead resources and interagency funding from infrastructure bureaus. The division also receives a smaller proportion of its funding from interagency and intergovernmental partners.

**Expenses:** The primary expense of the program is staffing. The remainder supports the materials and services associated with program operations, including IT systems licensing and maintenance fees, facilities, rent, and technology support. Expenditures are predictable and scale up and down with staffing.

**Staffing:** There are 49 authorized positions in the division – which includes nine (9) positions added during FY 2018-19 Fall Budget Monitoring Process. Design & Construction workload volume fluctuations will require bureau staffing levels to scale up or down.

**Assets and Liabilities:** The only assets maintained by this division are software-based. The division completed implementation of its B2G system in FY 2018-19, and the Buy Speed System is in the middle of its anticipated useful life. Procurement has set aside technology replacement funding over the past five years.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Lester Spitler

**Website:** [portlandoregon.gov/brfs](http://portlandoregon.gov/brfs)

**Contact Phone** 503-823-1095

# BRFS - Revenue Collection

## Program Description & Goals

Revenue Collection Division provides centralized revenue collection and administrative support for the City and County business income tax, City and County transient lodgings tax, tourism improvement and enhanced service districts, special assessment liens, and central accounts receivable. In FY 2018-19, the business income and transient lodging taxes will collect approximately 28% of all General Fund revenues excluding transfers and ending balances. In FY 2019-20, the Division will collect and account for more than \$600 million, including the voter-approved Clean Energy Initiative.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Investment portfolio yield - % of benchmark	114%	82%	0	100%	100%
Cost per dollar collected by Revenue division (all programs)	\$.02	\$.02	0	0	0

## Explanation of Services

The Revenue Collection program is tasked with maximizing City and partner agency revenue sources with a policy of firm and fair enforcement of tax and fee codes. Primary functions include tax return processing, non-filer and under-filer identification, and debt collection using a range of tools up to and including collection agencies and litigation. The program tracks cost per dollar collected, as well as the estimated business tax gap to ensure that collection efforts remain focused on maximizing the revenue yield.

## Equity Impacts

The Revenue Collection program has Arts Tax forms and instructions available in 11 languages. Translation services are also available for phone calls and in-person communications. The Revenue Division works with Elders in Action to do community outreach and the dollars collected by this program directly fund equity efforts in all General Fund bureaus.

## Changes to Program

The Revenue Collection program is facing a severe shortfall in funding as serial one-time funds have been provided for 15 current revenue collecting positions. Combined, the Division needs \$1.9 million (\$1.52 million ongoing and \$380,000 one-time for two years) to maintain current revenue collection staffing levels. These 15 employees make up approximately 50% of the staffing for the Business License Tax program. If these positions are not funded, the Division estimates that approximately \$9 million in revenue will be lost. Additionally, there is one-time funding through FY 2019-20 for 2.0 full time employees (FTE) working on Revenue's Integrated Tax System (ITS) project. These 2.0 FTE developed the business requirements for a Request for Proposal for this core database replacement project. ITS implementation is projected to start in the second quarter of 2019 and will require additional resources currently estimated at \$20-\$30 million. The exact cost will be determined after the RFP process is completed.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	43,229,917
Internal Materials and Services	0	0	0	5,204,648
Personnel	0	0	0	6,894,090
<b>Fund Expense</b>				
Contingency	0	0	0	9,426,701
Debt Service	0	0	0	102,935
Fund Transfers - Expense	0	0	0	92,239
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,950,530</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	61.16
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61.16</b>

**Resources:** Primarily General Fund Discretionary with some fee-based programs

**Expenses:** Primarily fixed expenses for personnel services, and internal materials & services

**Staffing:** Majority of the staff are tax collection and auditor positions who work directly with taxpayers to ensure tax returns are timely and reflect the full amount due to local jurisdictions.

**Assets and Liabilities:** N/A

### Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/revenue/>

**Program Contact:** Thomas Lannom

**Website:** revenue/

**Contact Phone** 503-823-5154

# BRFS - Insurance and Claims

## Program Description & Goals

Risk Management is the City’s centralized, operational risk management function, responsible for risk financing, claims administration, related statutory compliance, and advising on loss prevention and employee safety.

The City is self-insured, except in areas where the purchase of commercial insurance protects the City’s financial interest. Risk Management influences risk-adjusted business decisions through its expert advice and consultation and loss-related data and analysis.

The City retains almost all cost for general liability, auto liability, law enforcement, and employment practice. The claims are centrally administered in City Risk. Retained claims tend to be frequent, low cost occurrences. Risk Management investigates every claim. Active management and expert adjusting help keep claim cost low. Over the past five years, claims with incurred costs under \$5,000 (Risk’s statutory authority under Charter and City Code) are:

- 90% of the general liability claims
- 84% of the auto claims

The primary goal of Risk Management’s programs is to minimize and reduce the financial risk to the City, which is accomplished through:

- Bureau coordinated claims management administration
- Loss prevention training and consultation
- Quarterly and focused claims reviews
- Monthly bureau claims status
- Third party subrogation reimbursement efforts
- Annual Safety Committee Conference
- Bureau site visits and exposure analysis
- Interagency allocation review
- Risk Management staff training
- Fair and prompt claims settlement

Risk Management measures the cost of general liability claims over the prior four-year average, and the change in cost of fleet liability claims over the prior four-year average. General liability claims are decreasing in the amount awarded and number of overall claims are going down. Success is assessed by reductions in tort liability claims and costs.

Risk Management’s portfolio of clients include City employees, community members, bureau leadership, and City Council. Risk Management serves a diverse population in Portland and treats all clients with the utmost respect and courtesy through prompt return of calls, training, proactive claims management, and reporting. Risk Management uses relay services for claimants with hearing or speech impairments and has access to the City’s language bank to assist with translation needs.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
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Change in the cost of general liability claims over the prior four-year average	2%	0	0	7%	0
Change in the cost of fleet liability claims over the prior four years	0	0	0	4%	0

## Explanation of Services

Under City Code 3.12.020 G, Risk Management is responsible for administering, coordinating, and controlling all activities related to commercial and self-insurance including, but not limited to, property and casualty insurance, workers' compensation insurance, liability insurance, and the City's right to subrogation on these insurance programs. Risk Management is responsible for protecting the City, its officers, agents, and employees against liability imposed on municipalities of the State of Oregon. Risk Management monitors and coordinates a Citywide loss prevention and control program to minimize potential property, liability, fidelity, and personnel losses; maintains records relating to commercial and self-insurance losses or claims filed against the City; and executes any claim or proof of loss for damage to City property.

Risk Management has self-administered its tort liability claims since 1978 when the City became self-insured. Self-administration of claims reduces the City's total cost of risk and allows the City to be in control of how the claims are administered without the reliance on a contracted Third-Party Administrator. Risk Management has cultivated long-term relationships with bureau clients and holds strong institutional knowledge – allowing Risk to accurately set reserves. Savings are returned to the services Risk Management offers its clients, as is the potential of a reduction of excess insurance premium costs.

Purchase of commercial insurance allows the City to transfer certain risk to an insurance company. These risks are much easier to quantify. The transfer of risk places less of a financial burden on the City versus the exposure.

Services provided are outlined in City Code. Program outcomes are intended to reduce the City's liability and place less of a burden on the City's financial interests, which include its capital assets, human capital, reputation, and its financial, strategic, and operational programs. The activities provided by Risk Management staff are intended to reduce and mitigate the City's financial liabilities.

Prompt and fair claims administration, coordination with bureaus in the claims management process, client training, guidance, and consultation all lead to reduction in the City's liability exposure and ensure regulatory compliance. Ensuring regulatory compliance as a self-insured employer reduces potential fines and penalties.

## Equity Impacts

Risk Management does not track disaggregated quantitative data or collect qualitative information about how communities of color and people with disabilities access and experience services.

Risk Management uses relay services for claimants with hearing or speech impairments and has access to the City's language bank to aid with translation needs. City employees are required to attend City sponsored equity and diversity trainings.

Risk Management's clients are internal and external. Risk services affect clients of all backgrounds and abilities either directly or indirectly.

## Changes to Program

Cybersecurity risk is an increasing challenge for the City and could pose a major financial risk due to outside influences. Evaluating the City's risk exposure requires interacting with different bureau clients to better understand the risk. Transferring as much of the risk to an insurance policy or contracts and careful planning efforts are necessary. Support from upper management and bureau directors will be required.

Risk is experiencing increased demand for services with no additions to staff. Risk Management spent over 20 hours working with bureaus to complete a cyber liability insurance application. Risk worked collaboratively with Bureau of Technology Services staff to help analyze the risk. Risk has attempted to meet the one percent budget constraint by budgeting vacancy savings and employing other efficiency measures to balance division budgets without lowering service levels.

In FY 2018-19, Risk Management was assigned to OMF's Bureau of Revenue and Financial Services. The City's former Risk Manager retired in May 2018 and an interim risk manager served for seven months to ensure a management liaison was in place and keep programs moving forward. No major changes to the programs occurred except the relocation of the Occupational Health & Infectious Disease Program to Human Resources.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	8,620	5,247	113,914	6,476,668
Internal Materials and Services	11,454	146,027	483,805	3,033,226
Personnel	-40,400	771	98,898	1,498,892
<b>Fund Expense</b>				
Contingency	0	0	33,225,854	34,617,257
Debt Service	22,361	11,181	101,727	107,906
Fund Transfers - Expense	202,573	172,780	211,612	211,163
<b>Sum:</b>	<b>204,609</b>	<b>336,006</b>	<b>34,235,810</b>	<b>45,945,112</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0.45	1	9	10.68
<b>Sum:</b>	<b>0.45</b>	<b>1</b>	<b>9</b>	<b>10.68</b>

**Resources:** The Liability Fund is funded primarily from interagency agreements (IA) with City bureaus. The IA charges to bureaus are for self-insurance premiums. The premium for each bureau is based on a rate model that projects costs over the next five years and determines the amount to charge bureaus based on forecasted claims payments, actuarial reserve targets, commercial insurance costs, and administrative costs to manage and administer the program. Costs are allocated to bureaus based on experience (a four-year average of claims costs) and exposure (prior year payroll costs).

**Expenses:** Fund expenditures are primarily for claims-related payments. Projected claims are based on an independent actuarial study. Other significant expenses are for the management and administration of the program and excess insurance policy premium.

**Staffing:** Risk Management includes 10.5 employees who are split across the Workers' Compensation and the Insurance and Claims funds. Staffing has been nearly flat over the last five years.

**Assets and Liabilities:** The program has no significant assets or liabilities other than its cloud-based risk management system for managing, administering, tracking, and reporting on claims. The program's budget includes appropriation to maintain and improve the system.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Patrick Hughes

**Website:** [portlandoregon.gov/brfs](http://portlandoregon.gov/brfs)

**Contact Phone** 503-823-5277

# BRFS - Workers Compensation

## Program Description & Goals

Risk Management is the City's centralized, operational risk management function, responsible for risk financing, claims administration, related statutory compliance, and advising on loss prevention and employee safety. Risk Management oversees the City's Workers' Compensation program.

The City is self-insured, except in areas where the purchase of commercial insurance protects the City's financial interest. Risk Management influences risk-adjusted business decisions through its expert advice and consultation and loss-related data and analysis.

The City retains almost all cost for workers' compensation claims. The claims are centrally administered in Risk Management. Retained claims tend to be frequent, low cost occurrences. Risk Management investigates every claim. Active management and expert adjusting help keep claim costs low. Over the past five years, claims with incurred costs under \$5,000 (Risk's statutory authority under Charter and City Code) are 75% of workers' compensation claims.

The primary goal of Risk Management's programs is to minimize and reduce the financial risk to the City, which is accomplished through:

- Bureau coordinated claims management administration
- Quarterly and focused claims reviews
- Monthly bureau claims status
- Job analysis
- Integrated claims review with BHR
- Annual State Compliance Efficiency Audit (yearly score excess of 90%)
- Interagency allocation review
- Risk Management staff training
- Fair and prompt claims settlement
- Employer-at-injury program (EAIP)

Workers' compensation is audited annually by the State of Oregon. The performance trends monitored by the State include:

- Accurate reimbursements to workers
- Timely first payment of temporary disability
- Timely payment of subsequent temporary disability
- Timely reimbursements to workers
- Timely payment of permanent total disability benefits
- Timely claim acceptance or denial
- Timely Notice of Closure
- Timely claim reporting (1502 filing)
- Accurate reporting of timeliness of first payment of temporary disability
- Accurate reporting of timeliness of claim acceptance or denial
- Accurate reporting of timeliness of Notices of Closure

Workers' compensation claims counts have remained flat for the past 10 years, while both indemnity and medical benefits have increased due to inflation.

The policy of the Risk Workers' Compensation (WC) Team is to ensure that employees injured on

the job are provided benefits in accordance with Oregon Workers' Compensation Statute under ORS Chapter 656 and the City's HR Administrative Rules. Risk's RMIS software system tracks all claims, including financials. The goal of the Workers' Compensation program is compliance with state timelines and accuracy requirements. The State of Oregon's annual audit has continued to produce optimal results.

Risk Management's portfolio of clients include City employees, community members, bureau leadership, and City Council. Risk Management serves a diverse population in Portland and treats all clients with the utmost respect and courtesy through prompt return of calls, training, proactive claims management, and reporting. Risk Management uses relay services for claimants with hearing or speech impairments and has access to the City's language bank to assist with translation needs.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Change in the cost of workers compensation claims over the prior four years	2%	0	0	4%	0

### Explanation of Services

Under City Code 3.12.020 G, Risk Management is responsible for administering, coordinating, and controlling all activities related to commercial and self-insurance including, but not limited to, property and casualty insurance, workers' compensation insurance, liability insurance, and the City's right to subrogation on these insurance programs. Risk Management is responsible for protecting the City, its officers, agents, and employees against liability imposed on municipalities of the State of Oregon. Risk Management monitors and coordinates a Citywide loss prevention and control program to minimize potential property, liability, fidelity, and personnel losses; maintains records relating to commercial and self-insurance losses or claims filed against the City; and executes any claim or proof of loss for damage to City property.

Risk Management has self-administered its tort liability claims since 1978 when the City became self-insured. Self-administration of claims reduces the City's total cost of risk and allows the City to be in control of how the claims are administered without the reliance on a contracted Third-Party Administrator. Risk Management has cultivated long-term relationships with bureau clients and holds strong institutional knowledge – allowing Risk to accurately set reserves. Savings are returned to the services Risk Management offers its clients, as is the potential of a reduction of excess insurance premium costs.

Services provided are outlined in City Code. Program outcomes are intended to reduce the City's liability and place less of a burden on the City's financial interests, which include its capital assets, human capital, reputation, and its financial, strategic, and operational programs. The activities provided by Risk Management staff are intended to reduce and mitigate the City's financial liabilities.

Prompt and fair claims administration, coordination with bureaus in the claims management process, client training, guidance, and consultation all lead to reduction in the city's liability exposure and ensure regulatory compliance. Ensuring regulatory compliance as a self-insured employer reduces potential fines and penalties.

## Equity Impacts

Risk Management does not track disaggregated quantitative data or collect qualitative information about how communities of color and people with disabilities access and experience services.

Risk Management uses relay services for claimants with hearing or speech impairments and has access to the City's language bank to aid with translation needs. City employees are required to attend City sponsored equity and diversity training.

Risk Management's clients are internal and external. Risk services affect clients of all backgrounds and abilities either directly or indirectly.

## Changes to Program

Legislative actions which may affect and amend Oregon Workers' Compensation rules and statutes may necessitate modification of the Risk Workers' Compensation program. Risk staff perform ongoing review and strategic planning activities to monitor any such possible legislative actions, while concurrently planning for any required compliance needs which may require implementation. Other external factors which may necessitate programmatic changes include health care cost increases, (e.g., inclusion of experimental treatments and diagnostic methods), unforeseen shortages in available health care providers, and catastrophic disaster incidents.

The State of Oregon has recently modified the method employers in the state are required to calculate the average weekly wage of injured workers. This process change has significantly increased the internal administrative workload of researching and calculating wages without a corresponding increase in staff. Workers' Compensation has attempted to meet the one percent budget constraint by budgeting vacancy savings and employing other efficiency measures to balance division budgets without lowering service levels.

In FY 2018-19, Risk Management was assigned to OMF's Bureau of Revenue and Financial Services. The City's former Risk Manager retired in May 2018 and an interim risk manager served for seven months to ensure a management liaison was in place and keep programs moving forward. No major changes to the programs occurred except the relocation of the Occupational Health and Infectious Disease program to Human Resources.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	11,203	6,510	189,582	3,742,442
Internal Materials and Services	20,822	149,579	320,643	604,227
Personnel	139,413	41,611	126,816	1,363,218
<b>Fund Expense</b>				
Contingency	0	0	13,277,006	11,949,212
Debt Service	20,916	20,916	95,153	100,933
Fund Transfers - Expense	132,635	90,937	113,901	122,622
<b>Sum:</b>	<b>324,989</b>	<b>309,552</b>	<b>14,123,101</b>	<b>17,882,654</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0.45	1	6	9.68
<b>Sum:</b>	<b>0.45</b>	<b>1</b>	<b>6</b>	<b>9.68</b>

**Resources:** The Workers Compensation fund is funded primarily from interagency agreements (IA) with City bureaus. The IA charges to bureaus are for self-insurance premiums. The premium for each bureau is based on a rate model that projects costs over the next five years and determines the amount to charge bureaus based on forecasted claims payments, actuarial reserve targets, commercial insurance costs, and administrative costs to manage and administer the program. Costs are allocated to bureaus based on experience (a four-year average of claims costs) and exposure (prior year payroll costs).

**Expenses:** Fund expenditures are primarily for claims-related payments. Projected claims are based on an independent actuarial study. Other significant expenses are for the management and administration of the program, excess insurance policy premium, and State Workers' Compensation payments.

**Staffing:** Risk Management includes 10.5 employees who are split across the Workers' Compensation and the Insurance and Claims funds. Staffing has been nearly flat over the last five years.

**Assets and Liabilities:** The program has no significant assets or liabilities other than its cloud-based risk management system for managing, administering, tracking, and reporting on claims. The program's budget includes appropriation to maintain and improve the system.

## Program Information

**Bureau:** Office of Management & Finance      **Program Contact:** Patrick Hughes  
**Website:** portlandoregon.gov/brfs      **Contact Phone:** 503-8232-5277

# BRFS - Treasury

## Program Description & Goals

The Treasury Division provides centralized banking, merchant, and investment services to all City bureaus. The functions of Treasury include managing the City's daily cash position, maintaining custody of all City funds, and ensuring excess funds are cautiously invested to earn a market return.

Treasury is also responsible for managing the City's banking, merchant card, and custodial service contracts and relationships. Treasury's daily activities are critical to achievement of the City's corporate financial strategies, compliance with City policies, industry best practices, law and regulation requirements on state and federal level including Payment Card Industry data security standards. Treasury is a net revenue producing operation to the City, distributing investment portfolio earnings (net of an administrative fee) to all City funds with balances – including the General Fund. Treasury is the administrator of the City's foreclosure sale process as mandated under City Code.

The City's investment portfolio performance benchmark was 2.736%. The City's portfolio yield normally lags the benchmark in a rising interest rate environment due to a shorter weighted-average maturity compared to the benchmark. As securities in the City's portfolio mature, proceeds are re-invested in higher yielding securities and the portfolio yield will adjust over time.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Investment portfolio yield - % of benchmark	114%	82%	0	100%	100%

## Explanation of Services

The Treasury Division provides centralized banking services for all City bureaus and to Prosper Portland (via intergovernmental agreement). The program develops and executes the City's investment program, coordinates and reconciles all City cash deposits and disbursements, and provides cash and investment accounting. Treasury is responsible for negotiating and managing all banking, trust, and merchant (credit/debit card) service contracts and managing the interface between the City's financial institutions and all City bureaus. Treasury's daily activities are critical to the execution of the City's investment policy and strategies, and for compliance with applicable Internal Revenue Service arbitrage rebate requirements. Treasury supports Citywide cash operations and serves as the primary resource for reconciliation of cash for central accounting, outside audit, and investment purposes.

## Equity Impacts

Equity is impacted by providing cost-effective financial solutions to all City bureaus. When implementing or reviewing programs for bureaus, the Treasury Division employs an equity lens to ensure a broad array of payment methods (including cash) are available to provide equitable access to services for all constituents.

## Changes to Program

In December 2018, City Council approved a select list of high-quality Corporate Securities issuers in which Treasury may invest the City's cash. Corporate securities provide diversification and an opportunity to earn additional yield over alternative investment types, such as U.S. Treasury and U.S. Agency securities. It is projected that the addition of this select group of Corporate Issuers to the City's Investment Policy would potentially contribute an additional \$900,000 to \$1,500,000 in annual investment earnings.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	0	0	0	0
External Materials and Services	200,387	233,261	338,841	310,529
Internal Materials and Services	98,811	146,179	156,714	173,140
Personnel	890,940	840,506	951,155	1,030,752
<b>Sum:</b>	<b>1,190,138</b>	<b>1,219,947</b>	<b>1,446,710</b>	<b>1,514,421</b>
	<b>2016-17 Actuals</b>	<b>2017-18 Actuals</b>	<b>2019 Revised Budget</b>	<b>2019-20 Request - V52 -No DP</b>
FTE	6.17	6.17	6	6.03
<b>Sum:</b>	<b>6.17</b>	<b>6.17</b>	<b>6</b>	<b>6.03</b>

**Resources:** Treasury Division operations are self-funded through administrative fees that are netted out of the investment portfolio's interest earnings. At the end of each fiscal year, Treasury's budget is netted to zero with all earnings distributed to the various bureau funds under management.

**Expenses:** The Treasury Division deploys resources diligently to provide the most value to City bureaus at the least cost. Expenditures primarily include personnel costs, office space, specialized investment software, financial market information services, and pass-through costs from financial institutions who provide services.

**Staffing:** The Treasury Division maintains a staff of 6.0 FTE. Staffing is not expected to change at this time.

**Assets and Liabilities:** The Treasury division has a software subscription service named GovInvest amounting to approximately \$35,000 a year for the next three years. The subscription serves multiple bureaus and is partially funded by interagency agreements.

## Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/bdfs/69868>

**Program Contact:** Brigid O' Callaghan

**Website:** bdfs/69868

**Contact Phone** 503-823-3104

**Issue Title:** Maintain Current General Fund Revenue Collection Levels

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF – Bureau of Revenue and Financial Services, Revenue Division

**Issue Overview and Desired Goal/Outcome(s):** Twelve (12) Revenue Division tax collection staff are at risk of being laid off on June 30, 2019, because they have been funded with serial one-time resources. An additional three (3) tax collection staff (for a total of 15) are at risk of layoff because of operating budget shortfalls arising from the reorganization of the Business Solutions Division (BSD) (staff transferred to Water Bureau) and Office for Community Technology (OCT) (staff moving to independent office). These 15 employees comprise approximately 60% of the staffing for the Business License Tax program. If they are not funded, the Division estimates that approximately \$9 million in General Fund revenue will be lost (\$5.2 million for the City and the balance for the County) following a scaling back of numerous collection activities.

OMF is directed to come forward with a plan for ensuring that it has the staff necessary to maintain current collection levels.

The response to this direction should also provide scalable options for staffing levels with information about the different effects on collections that these staffing levels would have.

We should prioritize moving FTE that have been one-time funded over multiple years to ongoing.

**Desired Funding Options:** New ongoing funds

**Additional Requests/Notes:** This response to this request should provide the Mayor and Commissioners with an understanding of the minimum number of FTE required to maintain current collection levels. The response should also address how additional FTE could improve the amount of revenue collected. Lastly, it should address how ITS will affect the number of FTE needed.

**Issue Title:** Revenue Division Integrated Tax System

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF – Bureau of Revenue and Financial Services, Revenue Division

**Issue Overview and Desired Goal/Outcome(s):**

The City currently uses tax software applications that will soon be going out of support. In anticipation of this issue, and in order to create a better system that can handle the different types of revenue collected by the City, the City will need to undertake an Integrated Tax System (ITS) project. ITS should replace the platforms that administer the business license/income tax; the City and County hotel/motel tax; the Arts Tax and others with revenue totaling over \$400 million. ITS should deliver a host of customer service and process improvements including more efficient use of federal taxpayer information to administer local tax law.

**Desired Funding Options:** New ongoing funds

**Additional Requests/Notes:** In response to this direction, OMF should discuss efficiencies in switching to a new system and if/how these ongoing efficiencies will offset the one-time costs.

**Issue Title:** Convert New Fee-Based Programs to Ongoing

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF and PHB

**Issue Overview and Desired Goal/Outcome(s):** In FY 18-19 City Council created two new programs in the Revenue Division; the Rental Registration Program (3.0 FTE to track all rental locations in the City of Portland) and the Accessory Dwelling Unit System Development Charge waiver program (1.0 FTE monitoring SDC waivers to ensure no rentals occur on short-term rental platforms for a period of ten years). Council intended both fee-based programs to be permanent and paid for by fees.

OMF and PHB are directed to propose appropriate fee levels that will support both programs, currently estimated at \$500,000 combined. It should also provide information about different fee scenarios for the Rental Registration Program fee to help fund other services related to housing, homelessness and/or rental monitoring and inspections.

**Desired Funding Options:** New Fee-based Revenues

**Additional Requests/Notes:** none

**Issue Title:** Implementation of Clean Air Construction Standard Regional Program Framework

**Council Member Issuing Direction:** Mayor Wheeler

**Bureau Directed:** Bureau of Revenue and Financial Services

**Issue Overview and Desired Goal/Outcome(s):** On December 13, 2018 City Council passed Resolution 37403 adopting the Clean Air Construction Standard and directing Procurement Services to serve as the regional program administrator and within that role, request FY19-20 funding to implement the regional program framework. Regional partners adopting the Clean Air Construction Standard in 2019 include: Multnomah County, Port of Portland, Metro, Clackamas County, and Washington County. The proposed Clean Air Construction program framework includes program funding to the City (as the lead agency) from participating regional agencies through intergovernmental agreements, however, details of the level of funding those agreements would contribute have yet to be determined.

The goal of the Clean Air Construction Standard is to reduce harmful levels of diesel particulate matter (PM) emissions in the Portland Metro area, by requiring contactors on public construction projects to use equipment that controls diesel exhaust. The City and its regional partners embarked on taking a regional approach to increase effectiveness, reduce redundancies, and increase compliance efficiencies for the contracting community. The City was elected to take a lead agency role in implementing the standard through a regional program due to the City's large volume and variety of construction projects and Procurement Services' history of serving as a regional leader on construction related programming through various intergovernmental agreements.

The City will be including in its State legislative agenda a request (coordinated with regional partners) to the Legislature to allocate funding from the Volkswagen settlement fund to support certified COBID firms to comply with the Standard. In October 2019, Procurement Services and the Bureau of Planning and Sustainability will bring to City Council a proposal for funding assistance for COBID certified firms to comply with the Standard, taking into account outcomes of the 2019 State legislative session. As a result, this Direction to Develop does not include funding assistance for COBID certified firms to comply with the Standard.

Procurement Services is directed to bring a preferred funding option proposal for the City's role in regional program implementation as part of its FY 2019-2020 requested budget. The request should include a business case supporting that option and a discussion of alternatives considered.

The request should also provide the following information:

- Information about commitments from regional partners, including roles and breakdown of costs between participating agencies
- Implementation timeline

**Funding Options:** Funding options include General Fund resources, state- or federal grant funding, and proportional financial support from regional partners, including Multnomah County.

**Additional Requests/Notes:** The City received letters of support from the Port of Portland (attached) for the City to serve as the lead agency in implementing the Clean Air Construction Standard and for the Mayor's office to issue a Direction to Develop. Procurement Services expects additional letters of support from other regional partners within the coming weeks.

**Issue Title:** Risk Management Cyber Security Insurance Policy

**Commissioner(s) Issuing Direction:** Mayor's Office

**Bureau Directed:** OMF

**Issue Overview:** Currently the City self-insures all cyber risk exposures from ransomware to malware, phishing and social engineering. These types of threats are not unfamiliar to the City. In certain cases, the City has already experienced similar threats. The uncertainty is when will the City be impacted by a threat and how much will it cost. Retaining this financial risk is not prudent. The loss to the City can be costly and interrupt the City's business operations.

A decision package would provide the funding necessary to transfer the financial risk to an insurance company. The funding would be via interagency charges to all City bureaus with FTE.

**Desired Goal/Outcome(s):** Transferring this financial risk to an insurance company is practicable and cost effective in comparison to self-insuring. Insurance will cover the cost of incurred legal fees and expenses, cover the cost of notifying customers about a data breach, restore personal identities of affected customers, recover compromised data, repair damaged computer systems and protect the City's reputation.

**Desired Funding Options:** Ongoing \$250,000 increase in Insurance and Claims IA rates

**Additional Requests/Notes:**

**DP: 7633 - Integrated Tax System**

**DP Type**

**Priority**

**New**

ADD

0

No

**Package Description**

The Revenue Division's employees, City of Portland taxpayers, and tax preparers are all hindered in their tasks by the aging technology of the City's non-integrated legacy systems. Customer technology expectations are rapidly changing, including but not limited to eFiling, self-service portals, and multiple channels for electronic communication and notifications. The business requirements for tax administration and analysis are evolving with increasingly complex tax structures to administer, security needs for Federal Taxpayer Information (FTI) data, and forecasting capabilities of analytic tools. Additionally, Revenue's inability to integrate FTI data securely with legacy systems (which cannot be retrofitted to be Pub 1075 compliant) removes it from our regular business processes and greatly limits leveraging FTI to increase taxpayer compliance.

The cost of "business as usual" in the Revenue Division is realized tangibly with sizable missing revenue, lengthy lead time for development and testing of complex tax code changes, and numerous administrative staff who could dedicate time to re-deploying valuable collections and analytical work.

In the FY 2017-18 budget, City Council authorized three years of funding for a project manager and other costs related to reviewing the business case for replacement, documenting business processes, issuing a Request for Proposals (RFP), and other project work. Revenue has now issued a RFP. Pending receipt and evaluation of proposals, more information will be known about organizational structures, FTE, budget information, and performance measures.

**Service Impacts**

City of Portland taxpayers, those filing for exemption, and tax preparers all stand to benefit with the implementation of a modern and integrated tax administration system. The new system will offer self-service account management portals, modernized eFiling, and multiple channels for electronic communication and notifications. Benefits will also be realized with increased customer service capability from the Revenue Division call center and other support staff.

With 550,000 Arts Tax accounts and 120,000 Business Tax accounts, the scope of impact for the new tax administration system is extremely broad. Every taxpayer in Portland may be affected by the system.

Integrated Tax System software data analysis results will also yield increases in under-filer and non-filer discovery. The Revenue Division's subsequent actions to bringing these accounts into compliance would result in higher revenue collection.

Outcomes of the project will be tracked with quality assurance reports and oversight from the Technology Oversight Committee as well as other advisory groups. Outcomes of improvements to overall Revenue Division business will be tracked by continuing to measure existing Revenue Division key performance metrics.

The Revenue Division is also exploring options for benefits-based funding to partially or completely fund the project. Benefits-based funding is defined as a shared responsibility (between vendor and contracting government agency) for achieving quantified benefits as a pre-requisite for payment to the vendor. Payments may be both fixed, as well as incentive-based (with quantified benefits exceeding a given threshold).

The Integrated Tax System project has been executed in many jurisdictions around the country, both at the state and local levels. The Department of Revenue at the State of Oregon implemented this project, titled the "Core System Replacement" (CSR) project, from 2013 to 2019. They achieved all three of their goals with the project, including:

- strengthen business operations and reduce future risk by investing in technology foundations;
  - increase effectiveness in compliance and revenue generation by streamlining department processes and improving access to data; and,
  - improve customer service to taxpayers by empowering them with more online self-service options (online services increased from 8 to 19 services; online unique site visits increased twenty-fold over two years, from 71,000 unique visits in 2015 to 1,500,000 unique visits in 2017).
- The CSR project was implemented on time, under budget, and within scope.

Other jurisdictions that have shared successful implementation narratives with us include Missouri, Rhode Island, Mississippi, Georgia, Kansas City, Louisville, and Seattle.

**Equity Impacts**

The technology contracting community, including contractors certified with the State of Oregon as Disadvantaged, Minority, Women and Emerging Small Businesses, were involved when the public notice was posted on the City's Online Procurement System. A member of the Minority Evaluator Program (MEP) will participate in the evaluation of the proposals.

Any program with General Fund backing exposed to equitable outcomes will be impacted if this package is not approved. Package disapproval would result in an inability to sustain current collection activities into the future, causing a lower level of General Fund resources. The Integrated Tax System project is needed as current collection systems will go unsupported in as little as three years.

Maintaining current revenue collection is vital for the continuation of City equity initiatives. Cuts will reduce the assistance that can be provided to underserved communities and English language learners. Increased tax compliance supports funding for more equitable initiatives and outcomes.

Decision Package Summary

Details

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
100000	External Materials and Servi	5,796,700	0	0	0	0
100000	Internal Materials and Servic	2,021,250	0	0	0	0
100000	Personnel	2,165,000	0	0	0	0
		<b>9,982,950</b>	<b>0</b>	<b>0</b>		<b>0</b>

	<b>Major Object Name</b>	<b>Revenue</b>				
100000	General Fund Discretionary	9,982,950	0	0	0	0
		<b>9,982,950</b>	<b>0</b>	<b>0</b>		<b>0</b>

		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
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**Position Detail**

Job Class - Name	FTE	Salary	Supplemental	Benefit	Total
30003003 - Administrative Specialist II	1.00	68,900	0	32,413	106,584
30003006 - Analyst I	5.00	380,224	0	170,102	564,079
30003007 - Analyst II	1.00	84,354	0	35,890	126,697
30003010 - Business Systems Analyst I	2.00	152,090	0	68,041	230,575
30003011 - Business Systems Analyst II	2.00	168,709	0	71,780	251,175
30003012 - Business Systems Analyst III	2.00	196,123	0	77,948	285,155
30003030 - Coordinator IV	1.00	98,062	0	38,974	144,537
30003108 - Technology Capital Project Manager	1.00	122,002	0	44,360	175,696
<b>Total</b>	<b>15.00</b>	<b>1,270,464</b>	<b>0</b>	<b>539,507</b>	<b>1,884,497</b>

**DP: 7634 - Maintain Current Revenue Collection Lvl's**

DP Type	Priority	New
ADD	1	No

**Package Description**

Since FY 2015-16 2.0 FTE have been covered with one-time funding for the IRS Federal Taxpayer Information Exchange Program that has been incorporated into the Division's daily operations. This program generates a net positive return on investment as well as increases compliance with setting up accounts on previously unidentified taxpayers.

In FY 2016-17, CBO reduced the ongoing CAL target for the Business License Tax collection group and replaced it with one-time backfill. The stated goal at the time was to coerce Multnomah County to contribute a higher proportion of the budget for the combined business tax collection. The County refuses to renegotiate the current IGA to increase their agreed upon level of funding, creating an ongoing budget shortfall. The Division would need to eliminate at least 5.0 FTE to offset this reduction.

In FY 2018-19, City Council allocated one-time funding for 3.0 FTE Business License Tax collection positions to handle the workload related to a 50% increase in the number of accounts. Compliance with the Business License Tax has been at a 14-year low. The Division's original request was for three years – with one-time funding for the next two fiscal years (FY 2019-20 and FY 2020-21).

Also, in FY 2018-19, two interagency programs were transitioned out of the Revenue Division. This created a shortfall in the ongoing budget from the portion of fixed expenses (e.g., rent, administrative services) that are no longer being paid by the BSD and OCT IAs. The Division would need to eliminate at least 2.0 FTE to offset this reduction in ongoing funding.

**Service Impacts**

Combined, the Division needs \$2.09 million (\$1.66 million ongoing and \$428,404 one-time for two more years) to maintain current revenue collection staffing levels. The 12 employees that would be at risk of layoff comprise approximately 40% of the staffing for the Business License Tax program. If funding is not provided for these positions, the Division estimates that approximately \$7.4 million in General Fund revenue will be lost (\$4.4 million for the City and the balance for the County) following a scaling back of numerous collection activities.

**Equity Impacts**

Any program with General Fund backing that addresses equitable outcomes will be impacted if these packages are not approved, as the resulting decrease in collection activities will result in lower overall General Fund resources. The City revenues that these resources contribute to are vital to the continuation of City equity initiatives. Additionally, cuts will reduce the assistance that can be provided to underserved communities and English language learners. Increased tax compliance supports funding for more equitable initiatives and outcomes.

Budget Detail						
Fund	Major Object Name	Expense	2019-20 Request - V52 with DP	2019-20 CBO Recommended-V53	2019-20 Proposed-V53	2019-20 Adopted - V55
100000	External Materials and Servi		186,600	0	0	0
100000	Internal Materials and Servic		482,647	0	0	0
100000	Personnel		1,416,873	0	0	0
			<b>2,086,120</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund	Major Object Name	Revenue	2019-20 Request - V52 with DP	2019-20 CBO Recommended-V53	2019-20 Proposed-V53	2019-20 Adopted - V55
100000	General Fund Discretionary		2,086,120	0	0	0
			<b>2,086,120</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Position Detail					
Job Class - Name	FTE	Salary	Supplemental	Benefit	Total
30000191 - Revenue & Tax Specialist I	0.00	0	0	0	0
30000193 - Revenue & Tax Specialist III	6.00	337,022	0	177,293	537,890

**Decision Package Summary**

Details

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<b>Position Detail</b>					
<b>Job Class - Name</b>	<b>FTE</b>	<b>Salary</b>	<b>Supplemental</b>	<b>Benefit</b>	<b>Total</b>
30000194 - Revenue & Tax Specialist IV	4.00	236,787	0	120,919	375,820
30000452 - Management Analyst, Sr	1.00	74,090	0	33,580	113,338
30003011 - Business Systems Analyst II	1.00	84,354	0	35,890	126,697
<b>Total</b>	<b>12.00</b>	<b>732,254</b>	<b>0</b>	<b>367,682</b>	<b>1,153,746</b>

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**DP: 7641 - Risk Management Cybersecurity Insurance**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

Currently the City self-insures all cyber risk exposures including ransomware, malware, phishing, and social engineering. These types of threats are not unfamiliar to the City and, in many cases, are ongoing threats. The uncertainty is when the City will be impacted by a threat and the cost implications associated with the threat. Retaining this financial risk is not prudent. The loss to the City can be costly and significantly interrupt City operations.

Risk Management would procure available policy options via the City's insurance broker, review and negotiate the most advantageous policy coverages, deductibles, limits, and premium options. Post placement, Risk Management would thereafter manage the policy within its existing insurance program, with appropriate allocations to affected bureaus. Funding would be in the form of interagency charges by the Insurance and Claims Fund to City bureaus based on position counts, per the General Fund overhead cost allocation model.

**Service Impacts**

The transfer of this known cybersecurity risk to a commercial insurance policy reduces the unknown overall financial and reputational risk to the City to a set deductible which allows more viable fiscal management of City funds in the event of a significant breach. Such a policy will allow the usage of specialized breach services, public relations assistance, and reduce the City's incurred costs in the event of required customer notifications, data recovery, and business interruption losses.

Current assumptions include the broker identifying agreeable insurance carriers and underwriters accepting the City's risk. The estimated premium cost is based on known policy purchases from local public organizations, however; the final premium will ultimately be determined by underwriters, desired policy limits, and deductible choices.

The ultimate results of purchasing a cybersecurity policy will be measured by the number and cost of claims made upon the policy. Risk Management maintains an extensive claim tracking system which will allow outcome measurement.

The alternative to risk transfer via policy purchase is the City continuing to self-insure all cybersecurity losses. In the event of a significant breach, such a loss could cause significant financial and reputational harm and pose instability to the insurance reserves.

The purchase of cybersecurity insurance policies has become a best practice standard by many public organizations, due to the extensive cost and loss of business interruption a significant breach may cause. Claims data from such organizations is currently unavailable and unlikely to be shared due to its confidential nature.

A cybersecurity policy ensures policy resources are available for fast response, compliance with regulatory requirements, and the financial resources to allow the City to resume operations in an efficient manner.

**Equity Impacts**

The purchase of a cybersecurity policy impacts both all City employees and operations, and further addresses meeting the needs of the City's community members. This cybersecurity policy allows rapid response to data breaches to minimize the impact on City customers. In such an event, the policy would track and manage all protection efforts and results.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
704000	External Materials and Servi	250,000	0	0	0	0
		<b>250,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
704000	Interagency Revenue	250,000	0	0	0	0
		<b>250,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

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**DP: 7687 - Convert New Programs to Perm Ongoing**

**DP Type**

**Priority**

**New**

ADD

0

No

**Package Description**

There are about 126,000 units within multi-unit rental properties that are anticipated to register. Additionally, there are an unknown number of single unit properties also expected to register. It is estimated this will impact about 20-30 thousand accounts. Currently, many of these accounts are not required to file, or only file an exemption. Since this will be a dramatic change for the taxpayer, outreach will be conducted in early 2019. This additional workload necessitates additional positions to administer services beginning in 2019.

**Service Impacts**

The Division will propose fee levels to support both programs, with estimated combined costs totaling \$638,000. The Mayor may direct the Division to set Rental Registration Program fees at a level high enough to help fund other services related to housing, homelessness, and/or rental monitoring and inspections. The Rental Registration Program is still in the design phase, so no fee is expected to be charged during FY 2019-20. The discussion at the City Council hearing regarding the Rental Registration program contemplated a fee-based structure, likely beginning in tax year 2019. The program will be built to allow payment acceptance on that timeline, pending Council decision. The fee would be structured to achieve administrative cost recovery and potentially additional revenue to support other programs in Housing or Bureau of Development Services.

**Equity Impacts**

Both of the programs are initial steps to helping offset the cost of housing and homelessness issues.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
100000	External Materials and Servi	55,000	0	0	0	0
100000	Internal Materials and Servic	95,000	0	0	0	0
100000	Personnel	488,000	0	0	0	0
		<b>638,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
100000	Charges for Services	469,500	0	0	0	0
100000	General Fund Discretionary	168,500	0	0	0	0
		<b>638,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**Position Detail**

Job Class - Name	FTE	Salary	Supplemental	Benefit	Total
30000194 - Revenue & Tax Specialist IV	3.00	177,590	0	90,689	279,095
30000196 - Revenue & Tax Specialist V	1.00	63,679	0	31,238	99,789
<b>Total</b>	<b>4.00</b>	<b>241,270</b>	<b>0</b>	<b>121,928</b>	<b>378,883</b>

**DP: 7691 - Implementation of Clean Air Construction**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

In the Portland metro area, the air is unhealthy to breathe because of the presence of ultra-fine particulate matter (PM) from older dirty diesel engines. Diesel PM is a known human carcinogen and contributes to a wide variety of respiratory and other chronic health conditions. Clackamas, Multnomah and Washington counties in the Portland metro area rank in the top 5 percent of all counties nationwide for diesel particulate concentrations. In some areas, like near freight corridors, rail yards or construction sites, levels of diesel pollution are over 10 times Oregon health benchmarks. Heavy-duty trucks and construction equipment are responsible for most diesel emissions. Lacking leadership at the State level, the only option available to Portland Metro area government agencies to reduce diesel PM at scale is through a set of common construction contracting requirements that require cleaner diesel or alternative-fuel construction equipment. We know from the U.S. EPA that every dollar invested in reducing diesel pollution has a \$10 return on the investment.

This package is for establishing the Clean Air Construction Program within the Bureau of Revenue and Financial Services – Procurement Services. The Clean Air Construction Program is intended to be a regional, collaborative effort among regional government agencies that have adopted the Clean Air Construction Standard, with the City serving as the lead agency to administer the program. The City elected to take a lead agency role due to the City's large volume and variety of construction projects (more so than our regional partners) and Procurement Services' history of serving as a regional leader on construction related programming through various intergovernmental agreements. To date, we have received a letter of support for the City to take the lead agency role for this regional Clean Air Construction program from the Port of Portland. Additional letters of support from our regional partners are expected over the next few weeks. The following is the most recent update on when our regional partners are expected to adopt the Standard:

- Multnomah County - by the end of February 2019
- Washington County – by the end of March 2019
- Metro – by the end of May 2019
- Clackamas County – by the end of July 2019
- Port of Portland – to be determined, as their adoption is contingent on securing funding to mitigate impacts to minority contractors

The Clean Air Construction Program involves three core program elements: administration, compliance/enforcement, and support for certified DMWESB and SDVB firms (aka COBID certified firms). This package is for 2 new FTE within Procurement Services to administer the program on behalf of the City and regional partners and for program funds to contract out the development and/or ongoing performance of other program elements. There are two potential funding streams that are intended to supplement, but not fully alleviate City General Fund allocation: 1. Revenue from contractor equipment registration fees; 2. Financial contributions from participating regional partners through intergovernmental agreements. Since the City was the first agency to adopt the Clean Air Construction Standard (City Council Resolution 37403, December 13, 2018) and our partner agencies are still in the process of adopting the Standard, details of the levels of financial support each agency will contribute to the program is still being developed. The following table demonstrates the range of direct City costs to develop and run the program based on different levels of revenue from these two sources.

There is a difference between first year program costs and ongoing annual program costs due to one-time program development costs such as the development of an online registration system and database. This package is for the full program costs due to the uncertainty at the time of request regarding the level of, and timing of, revenue streams related to the program. Any revenue generated during the first year could be allocated to the General Fund at the end of the FY, while future program budgets would be adjusted based on the subsequently established intergovernmental agreements.

Regarding timeline, FY19-20 will be focused on getting the core administrative elements up and running, such as developing the equipment/vehicle registration and compliance database and online interface, program rules (and roles & responsibilities), contract specifications, contractor outreach and education, COBID program support, and intergovernmental agreements. This will be in conjunction with implementing year one of the Standard phase-in period, which is effective January 1, 2020. A copy of the Standard phase-in schedule is attached.

**Service Impacts**

The overall outcome of this request is the reduction in harmful diesel PM pollution in the Portland Metro area. According to the U.S. EPA, every dollar invested in reducing diesel pollution has a \$10 return on the investment (due to savings in health care costs, lost work time, etc.). By taking a regional approach, establishing a common Clean Air Construction standard, and establishing a successful model, we also allow for the concept to be adopted by private entities, universities, and others in the Portland Metro area that do construction work. Also, for every piece of equipment that is retrofitted or replaced to reduce diesel PM, that equipment stays cleaner for all future projects, whether a City project or not.

In terms of measuring the outcomes, we do not currently have a system in place to track and report on the results, but the proposed development of an online contractor equipment registration system in the first year of the program will enable applicable tracking and reporting.

Over the past decade, the City and its regional partners have lobbied the State legislature to regulate dirty on-road and nonroad diesel equipment. The State legislature has repeatedly failed to move such legislation out of committee. In the absence of State action, the only option available to the City and its regional partners to reduce diesel PM at scale is through a set of common construction contracting requirements that require cleaner diesel or alternative-fuel construction equipment. The City and its regional partners spent over two years developing the Clean Air Construction Standard, after much research into similar models across the nation and gathering stakeholder input. The adopted Standard, and the proposed regional programming, was determined to be the best approach. Due to the nature of the regional program approach, a lead-agency model and subsequent intergovernmental support was determined to be the most appropriate funding model. If funding is not approved, the Clean Air Construction standard will not be implemented and/or implementation will be significantly delayed until another agency adopts the lead agency role. The risk of a significant delay includes dissatisfied community stakeholders who already have expressed significant concerns over the long implementation timeframe for the Standard.

**Equity Impacts**

From the beginning, the City and its regional partners in this effort have recognized the disproportionate impact the Clean Air Construction Standard could potentially have on smaller businesses with less capital to make equipment investments to comply with the Standard. To address this, the City and its regional partners have:

1. Crafted more flexibility within the Standard for COBID-certified firms (MWESB and SDVB firms certified by the State) to comply with the engine requirements over the course of the Standard's phase-in period.
2. Committed to lobbying the State legislature during the 2019 legislative session for Volkswagen settlement funds to be allocated to supporting COBID-certified firms retrofitting or replacing dirty diesel engines. This financial support for COBID-certified firms is considered by the regional partners as key to implementing the Standard.
3. Proposed program elements that specifically support COBID-certified firms, through financial support (e.g. through the VW Settlement funds) and/or providing technical assistance and/or providing support to obtain federal grants for equipment retrofits or replacements.
4. Continued dialogue with stakeholders, including COBID-certified firms and their business associations, on program implementation. In addition, Procurement Services and the Bureau of Planning and Sustainability have committed to providing City Council with a funding proposal specifically to support COBID-certified firms in complying with the Standard by October 2019, after the outcomes of the 2019 State legislative session are known. Over the coming months, the City and its regional partners will continue to work on getting specific data on the fleet make-up of COBID-certified construction firms in the Portland Metro area. With this data, we will have a better understanding of the specific impact the Standard will have on these firms and subsequently, how to financially (and otherwise) support this firms in complying with the Standard.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
100000	External Materials and Servi	541,000	0	0	0	0
100000	Internal Materials and Servic	120,000	0	0	0	0
100000	Personnel	257,895	0	0	0	0
		<b>918,895</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
100000	General Fund Discretionary	431,881	0	0	0	0
100000	General Fund Overhead	487,014	0	0	0	0
		<b>918,895</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**Position Detail**

**Decision Package Summary**

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<b>Job Class - Name</b>	<b>FTE</b>	<b>Salary</b>	<b>Supplemental</b>	<b>Benefit</b>	<b>Total</b>
30003027 - Coordinator I - NE	1.00	68,900	0	32,413	106,584
30003030 - Coordinator IV	1.00	98,062	0	38,974	144,537
<b>Total</b>	<b>2.00</b>	<b>166,962</b>	<b>0</b>	<b>71,387</b>	<b>251,121</b>

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	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Taxes	17,933,744	18,412,301	20,506,000	22,206,000	22,206,000	
Miscellaneous	16,327	25,476	17,500	30,000	30,000	
<b>Total External Revenues</b>	<b>17,950,070</b>	<b>18,437,777</b>	<b>20,523,500</b>	<b>22,236,000</b>	<b>22,236,000</b>	
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	135,216	118,344	147,265	0	0	
<b>Total Resources</b>	<b>18,085,286</b>	<b>18,556,121</b>	<b>20,670,765</b>	<b>22,236,000</b>	<b>22,236,000</b>	
<b>Requirements</b>						
External Materials and Services	17,601,273	18,062,474	20,243,513	21,749,598	21,749,598	
Internal Materials and Services	340,671	321,382	402,252	461,402	461,402	
<b>Total Bureau Expenditures</b>	<b>17,941,943</b>	<b>18,383,856</b>	<b>20,645,765</b>	<b>22,211,000</b>	<b>22,211,000</b>	
Fund Transfers - Expense	25,000	25,000	25,000	25,000	25,000	
<b>Total Fund Expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	
Ending Fund Balance	118,344	147,265	0	0	0	
<b>Total Requirements</b>	<b>18,085,287</b>	<b>18,556,121</b>	<b>20,670,765</b>	<b>22,236,000</b>	<b>22,236,000</b>	

## Fund Overview

The Convention and Tourism Fund receives revenues from a 1% transient lodging tax assessed on guests at short-term (transient) lodging locations, including hotels, motels, bed and breakfast establishments, and private homes within the city. Expenditures from this fund are authorized for the promotion and procurement of convention business and tourism as established by City Charter. The City currently contracts with Travel Portland for these services.

In 2012, Council created a Portland Tourism Improvement District. The Tourism Improvement District (TID) was established to enhance the promotion of Portland as a preferred destination for meetings, conventions, and leisure travel. The 2% district assessment keeps Portland's lodging industry competitive with other cities.

### Managing Agency

Office of Management & Finance, Bureau of Revenue & Financial Services

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Licenses & Permits	5,295,617	5,493,639	5,500,000	6,086,066	6,086,066	
Miscellaneous	5,050	6,078	5,000	8,600	8,600	
<b>Total External Revenues</b>	<b>5,300,667</b>	<b>5,499,717</b>	<b>5,505,000</b>	<b>6,094,666</b>	<b>6,094,666</b>	
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	14,567	40,166	83,654	40,095	40,095	
<b>Total Resources</b>	<b>5,315,234</b>	<b>5,539,883</b>	<b>5,588,654</b>	<b>6,134,761</b>	<b>6,134,761</b>	
<b>Requirements</b>						
External Materials and Services	5,207,674	5,355,489	5,466,853	6,024,519	6,024,519	
Internal Materials and Services	42,395	75,740	76,801	85,242	85,242	
<b>Total Bureau Expenditures</b>	<b>5,250,068</b>	<b>5,431,229</b>	<b>5,543,654</b>	<b>6,109,761</b>	<b>6,109,761</b>	
Contingency	0	0	20,000	0	0	
Fund Transfers - Expense	25,000	25,000	25,000	25,000	25,000	
<b>Total Fund Expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>45,000</b>	<b>25,000</b>	<b>25,000</b>	
Ending Fund Balance	40,166	83,654	0	0	0	
<b>Total Requirements</b>	<b>5,315,234</b>	<b>5,539,883</b>	<b>5,588,654</b>	<b>6,134,761</b>	<b>6,134,761</b>	

## Fund Overview

The Property Management License Fund receives revenue from the business property management license fee payable by property managers of properties within the two Enhanced Services Districts (Clean & Safe and Lloyd districts). This fee supports enhanced services within the two districts. The fund transfers payments to the Revenue Division within the Bureau of Revenue & Financial Services for reimbursement of a set level of program costs.

The purpose of the program is to keep the areas within the two districts vital and attractive to businesses, shoppers, visitors, and residents.

Clean & Safe, Inc., in accordance with a management agreement with the City of Portland, provides the following services:

- ◆ Enhanced security
- ◆ Sidewalk and graffiti cleaning
- ◆ Business recruitment, retention, and marketing services in the central business district

Go Lloyd, in accordance with their contract with the City, provides the following services:

- ◆ Transportation management
- ◆ District Attorney prosecution and crime prevention
- ◆ Holladay Street landscape maintenance
- ◆ Lloyd Eco District services

## Managing Agency

Office of Management & Finance, Bureau of Revenue & Financial Services

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Taxes	12,063,111	12,444,574	12,980,000	13,960,000	13,960,000	
Miscellaneous	78,415	118,901	80,000	120,000	120,000	
<b>Total External Revenues</b>	<b>12,141,527</b>	<b>12,563,475</b>	<b>13,060,000</b>	<b>14,080,000</b>	<b>14,080,000</b>	
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	7,933,928	8,746,638	8,438,921	8,134,520	8,134,520	
<b>Total Resources</b>	<b>20,075,455</b>	<b>21,310,113</b>	<b>21,498,921</b>	<b>22,214,520</b>	<b>22,214,520</b>	
<b>Requirements</b>						
External Materials and Services	10,296,294	11,822,230	12,135,884	14,150,000	14,150,000	
Internal Materials and Services	1,007,523	1,023,962	1,207,401	1,307,951	1,307,951	
<b>Total Bureau Expenditures</b>	<b>11,303,817</b>	<b>12,846,192</b>	<b>13,343,285</b>	<b>15,457,951</b>	<b>15,457,951</b>	
Contingency	0	0	8,130,636	6,731,569	6,731,569	
Fund Transfers - Expense	25,000	25,000	25,000	25,000	25,000	
<b>Total Fund Expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>8,155,636</b>	<b>6,756,569</b>	<b>6,756,569</b>	
Ending Fund Balance	8,746,638	8,438,921	0	0	0	
<b>Total Requirements</b>	<b>20,075,455</b>	<b>21,310,113</b>	<b>21,498,921</b>	<b>22,214,520</b>	<b>22,214,520</b>	

## Fund Overview

The Arts Education & Access Fund receives revenues from a tax of \$35 imposed on each income-earning resident of the City of Portland who is at least 18 years old. Households under the Federal Poverty Level are exempt. Net revenues are distributed from this fund to six school districts located in the city (Portland Public, David Douglas, Centennial, Parkrose, Reynolds, and Riverdale) and the Regional Arts and Culture Council, in accordance with the respective intergovernmental agreements or contracts.

Funds distributed to the school districts are used to hire certified arts or music education teachers for kindergarten through 5th grade (K-5). Distribution is based on a ratio of one teacher for every 500 K-5 students or a pro rata basis for less than 500 students attending a school. Any funds remaining after distribution to the School Districts are distributed to the Regional Arts and Culture Council (RACC). Up to 95% of the funds distributed to RACC shall be for grants to support nonprofit Portland arts organizations. A minimum of 5% of the funds distributed to RACC shall be for grants to schools and nonprofit organizations that will give access to high-quality arts experiences to K-12 grade students, with particular emphasis on programs directed to underserved communities.

The Bureau of Revenue & Financial Services, Revenue Division manages the Arts Education & Access Fund, administers the collection of the Arts Tax, and charges the fund an administrative fee for services.

## Managing Agency

Office of Management & Finance, Bureau of Revenue & Financial Services

# Assessment Collection Fund

## Fund Summary

Community Development Service Area Funds

	Actual FY 2016-17	Revised FY 2017-18	Adopted FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Miscellaneous	871	1,200	1,450	1,575	1,575	
<b>Total External Revenues</b>	<b>871</b>	<b>1,200</b>	<b>1,450</b>	<b>1,450</b>	<b>1,450</b>	
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	78,789	79,535	80,650	82,336	82,336	
<b>Total Resources</b>	<b>79,660</b>	<b>80,735</b>	<b>82,100</b>	<b>83,911</b>	<b>83,911</b>	
<b>Requirements</b>						
<b>Total Bureau Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Contingency	0	80,735	82,100	83,911	83,911	
Fund Transfers - Expense	0	0	0	0	0	
<b>Total Fund Expenditures</b>	<b>0</b>	<b>80,735</b>	<b>82,100</b>	<b>83,911</b>	<b>83,911</b>	
Ending Fund Balance	79,660	0	0	0	0	
<b>Total Requirements</b>	<b>79,660</b>	<b>80,735</b>	<b>82,100</b>	<b>83,911</b>	<b>83,911</b>	

## Fund Overview

The Assessment Collection Fund is largely inactive, with a minimal number of accounting transactions posted to the fund. The City Charter allows for replenishment of this fund by selling up to \$1.5 million in bonds. Those resources would be used to pay off delinquent accounts in other funds. Collection activity on the delinquent liens, up to and including foreclosure, would then be handled by the fund.

**Managing Agency** Office of Management & Finance

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Taxes	14,439,050	14,152,546	17,030,977	17,465,257	17,465,257	
Bond & Note	0	9,655,686	0	0	0	
Miscellaneous	77,660	105,877	20,000	20,000	20,000	
<b>Total External Revenues</b>	<b>14,516,710</b>	<b>23,914,109</b>	<b>17,050,977</b>	<b>17,485,257</b>	<b>17,485,257</b>	
Fund Transfers - Revenue	0	160	0	0	0	
<b>Total Internal Revenues</b>	<b>0</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	565,328	810,878	200,000	800,000	800,000	
<b>Total Resources</b>	<b>15,082,038</b>	<b>24,725,147</b>	<b>17,250,977</b>	<b>18,285,257</b>	<b>18,285,257</b>	
<b>Requirements</b>						
<b>Total Bureau Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Debt Service	14,271,160	23,911,214	17,050,977	18,085,257	18,085,257	
<b>Total Fund Expenditures</b>	<b>14,271,160</b>	<b>23,911,214</b>	<b>17,050,977</b>	<b>18,085,257</b>	<b>18,085,257</b>	
Ending Fund Balance	810,878	813,933	200,000	200,000	200,000	
<b>Total Requirements</b>	<b>15,082,038</b>	<b>24,725,147</b>	<b>17,250,977</b>	<b>18,285,257</b>	<b>18,285,257</b>	

## Fund Overview

This fund is used to achieve a proper matching of revenues and expenditures related to the financing and refinancing of general obligation bonds authorized by voters for the renovation of the City's park system, Portland fire station infrastructure, public safety improvements, and affordable housing.

Principal and interest on these bonds are paid from property taxes. The City is obligated to levy an annual ad valorem tax, without limitation to rate or amount, upon all property within the city sufficient to service the debt.

**Managing Agency** Office of Management & Finance, Bureau of Revenue & Financial Services

## Significant Changes from Prior Year

Additional levy collections and corresponding debt service payments in FY 2019-20 result from the second issue of general obligation bonds for affordable housing projects, which were approved by voters in November 2016 under Ballot Measure 26-179 and the third issue of general obligation parks bonds, which were approved by voters in November 2014 under Ballot Measure 26-159. Management responsibility for this fund is transferred to the Office of Management and Finance effective July 1, 2019.

# Local Improvement District Fund

## Fund Summary

Community Development Service Area Funds

	Actual FY 2016-17	Revised FY 2017-18	Adopted FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Charges for Services	1,274,529	1,257,480	1,272,480	1,299,800	1,299,800	
Bond & Note	4,015,596	13,629,814	18,486,186	13,060,500	13,060,500	
Miscellaneous	475,587	2,131,000	840,930	632,000	632,000	
<b>Total External Revenues</b>	<b>5,765,712</b>	<b>17,018,294</b>	<b>20,599,596</b>	<b>14,992,300</b>	<b>14,992,300</b>	
Fund Transfers - Revenue	500,000	0	0	0	0	
Interagency Revenue	4,313	146,500	0	0	0	
<b>Total Internal Revenues</b>	<b>504,313</b>	<b>146,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	3,054,201	3,781,350	3,642,103	3,120,070	3,120,070	
<b>Total Resources</b>	<b>9,324,226</b>	<b>20,946,144</b>	<b>24,241,699</b>	<b>18,112,370</b>	<b>18,112,370</b>	
<b>Requirements</b>						
External Materials and Services	4,275	10,000	10,000	4,500	4,500	
Internal Materials and Services	1,352,986	1,475,673	1,485,205	1,755,975	1,755,975	
<b>Total Bureau Expenditures</b>	<b>1,357,261</b>	<b>1,485,673</b>	<b>1,495,205</b>	<b>1,760,475</b>	<b>1,760,475</b>	
Debt Service	155,354	8,379,399	3,278,789	862,935	862,935	
Contingency	0	3,225,490	3,393,541	2,611,221	2,611,221	
Fund Transfers - Expense	4,030,261	7,855,582	16,074,164	12,877,739	12,877,739	
<b>Total Fund Expenditures</b>	<b>4,185,615</b>	<b>19,460,471</b>	<b>22,746,494</b>	<b>2,611,221</b>	<b>2,611,221</b>	
Ending Fund Balance	3,781,350	0	0	0	0	
<b>Total Requirements</b>	<b>9,324,226</b>	<b>20,946,144</b>	<b>24,241,699</b>	<b>18,112,370</b>	<b>18,112,370</b>	

## Fund Overview

The Local Improvement District (LID) Construction Fund accounts for the activities of the Assessments, Finance, and Foreclosure division of the Auditor's Office. The fund finances local infrastructure improvements. The division records assessments, including those for local improvements financed by the fund, sidewalk repairs, code enforcement violations, and system development charges for Portland Parks & Recreation, the Bureau of Environmental Services, the Water Bureau, and the Bureau of Transportation. The division provides property owners with a variety of financing mechanisms to pay off assessments.

**Managing Agency** Office of Management and Finance

## Significant Changes from Prior Year

The size of the LID Fund budget is primarily driven by the number of LID construction projects in process and under consideration at any one time. The Adopted Budget is decreased in FY 2019-20 with reduced financing of approved or planned LID projects.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Charges for Services	0	300	0	0	0	0
Miscellaneous	551,077	535,232	630,124	945,467	945,467	
<b>Total External Revenues</b>	<b>551,077</b>	<b>535,532</b>	<b>630,124</b>	<b>945,467</b>	<b>945,467</b>	
Interagency Revenue	10,913,469	11,476,386	11,626,690	11,045,028	11,295,028	
<b>Total Internal Revenues</b>	<b>10,913,469</b>	<b>11,476,386</b>	<b>11,626,690</b>	<b>11,045,028</b>	<b>11,295,028</b>	
Beginning Fund Balance	28,541,744	30,679,775	32,894,095	33,954,617	33,954,617	
<b>Total Resources</b>	<b>40,006,290</b>	<b>42,691,693</b>	<b>45,150,909</b>	<b>45,945,112</b>	<b>46,195,112</b>	
<b>Requirements</b>						
Personnel Services	1,312,336	1,217,458	1,320,743	1,498,892	1,498,892	
External Materials and Services	4,985,400	5,426,648	7,360,479	6,476,668	6,726,668	
Internal Materials and Services	2,725,628	2,870,777	2,906,566	3,033,226	3,033,226	
<b>Total Bureau Expenditures</b>	<b>9,023,363</b>	<b>9,514,884</b>	<b>11,587,788</b>	<b>11,008,786</b>	<b>11,258,786</b>	
Debt Service	85,294	93,523	101,727	107,906	107,906	
Contingency	0	0	33,249,782	34,617,257	34,617,257	
Fund Transfers - Expense	217,859	189,192	211,612	211,163	211,163	
<b>Total Fund Expenditures</b>	<b>303,153</b>	<b>282,715</b>	<b>33,563,121</b>	<b>34,936,326</b>	<b>34,936,326</b>	
Ending Fund Balance	30,679,775	32,894,095	0	0	0	
<b>Total Requirements</b>	<b>40,006,291</b>	<b>42,691,693</b>	<b>45,150,909</b>	<b>45,945,112</b>	<b>46,195,112</b>	

## Fund Overview

The Insurance and Claims Operating Fund provides tort, general liability, and fleet liability claims administration; management of the liability self-insurance program; management of the City's commercial insurance portfolio; and Citywide leadership in loss prevention.

Fund expenditures are primarily for claims-related payments. Projected claims are based on an independent actuarial study, which includes a projection for the current fiscal year and for the next five years.

The reserve requirement is based on the actuarial study, which recommends a range for the reserve levels needed to cover outstanding incurred liabilities. The range is produced by calculating reserves at various confidence levels (i.e., the probability that actual losses will not exceed the reserve level). Reserves are stated at a discounted level, which takes into account the interest the fund earns on the fund balance. The Insurance and Claims Operating Fund reserves are forecasted at a discounted confidence level of 80%. Interagency revenues are projected on a five-year basis so that, by year five, the fund will achieve the required claims reserve forecasted for the fifth year by the actuary. This five-year smoothing of interagency rates is designed to mitigate large fluctuations in rates from year to year.

## Managing Agency

Office of Management & Finance, Bureau of Revenue & Financial Services

Insurance & Claims Fund 704

Calculation of FY 2019-20 rate budget target

Includes 50% share of Loss Prevention/Commercial Insurance

	Final FY 2018-19 Target Rate Budget	FY 2018-19 decision packages	FY 2018-19 Adopted Rate Budget	FY 2019-20 Inflation Rates	FY 2019-20 Target Rate Budget	FY 2019-20 Target Rate Budget adjustments	Final FY 2019-20 Target Rate Budget
<b>Personal Services</b>							
Personal services (salary and wage-driven benefits and drift)	\$912,400	\$0	\$912,400	4.50%	\$943,923	\$41,407	\$985,330
Health benefits	\$404,771	\$0	\$404,771	4.00%	\$416,752	\$0	\$416,752
<b>M&amp;S-External</b>							
EMS	\$98,144	\$0	\$98,144	3.10%	\$100,174	\$34,315	\$134,489
Blank	\$0	\$0	\$0	3.10%	\$0	\$0	\$0
Blank	\$0	\$0	\$0	3.10%	\$0	\$0	\$0
<b>M&amp;S-Internal</b>							
Fleet Services	\$318	\$0	\$318	3.79%	\$327	\$0	\$327
Print/Distribution	\$21,622	\$0	\$21,622	3.68%	\$22,194	\$0	\$22,194
Facilities Services	\$101,353	\$0	\$101,353	3.63%	\$103,986	(\$39,862)	\$64,124
EBS	\$32,156	\$0	\$32,156	3.77%	\$33,034	\$0	\$33,034
BTS	\$47,201	\$0	\$47,201	3.88%	\$48,542	(\$1,542)	\$46,999
Workers' Comp	\$13,127	\$0	\$13,127	3.60%	\$13,464	\$0	\$13,464
Insurance and Claims (in rates but not billed)	\$0	\$0	\$0	1.05%	\$0	\$0	\$0
City Attorney services for litigation holds	\$128,000	\$0	\$128,000	3.77%	\$131,495	\$0	\$131,495
Other inter-fund services	\$257,146	\$0	\$257,146	3.77%	\$264,167	\$0	\$264,167
Capital	\$0	\$0	\$0	3.10%	\$0	\$0	\$0
Sub-total Bureau Program Expenses	\$2,016,238	\$0	\$2,016,238		\$2,078,058	\$34,317	\$2,112,375
Debt Service	\$114,135	\$0	\$114,135		\$114,135	\$14,587	\$128,722
Fund balance/contingency	\$0	\$0	\$0		\$0	\$0	\$0
Major maintenance/replacement not included above	\$0	\$0	\$0		\$0	\$0	\$0
<b>Total</b>	<b>\$2,130,373</b>	<b>\$0</b>	<b>\$2,130,373</b>		<b>\$2,192,193</b>	<b>\$48,904</b>	<b>\$2,241,097</b>
	\$2,167,567						
<b>Plus/minus systemic cost increases</b>				<b>At 100%</b>	<b>At 99%</b>		
FY 2019-20 Dave Center Move Project				(\$1,558)	(\$1,542)	\$1,542	\$0
Portland Building 50% of one-time cash funding requirement				(\$40,265)	(\$39,862)	\$39,862	\$0
PERS Target Adjustment				\$41,825	\$41,407	(\$41,407)	\$0
PERS debt changes				\$14,734	\$14,587	(\$14,587)	\$0
Adjustment to equalize EMS/per person					\$34,315	(\$34,315)	\$0
<b>Adjusted Target Rate Budget</b>					<b>\$2,241,097</b>	<b>\$0</b>	<b>\$2,241,097</b>
<b>General Fund overhead</b>	<b>\$181,792</b>		<b>\$181,792</b>	<b>3.77%</b>	<b>\$188,642</b>	<b>\$0</b>	<b>\$188,642</b>
<b>Target Rate Budget plus GFOH</b>	<b>\$2,312,165</b>	<b>\$0</b>	<b>\$2,312,165</b>		<b>\$2,429,739</b>	<b>\$0</b>	<b>\$2,429,739</b>

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Miscellaneous	212,595	298,828	232,853	316,458	316,458	
<b>Total External Revenues</b>	<b>212,595</b>	<b>298,828</b>	<b>232,853</b>	<b>316,458</b>	<b>316,458</b>	
Interagency Revenue	4,330,451	4,701,762	4,604,577	5,028,992	5,028,992	
<b>Total Internal Revenues</b>	<b>4,330,451</b>	<b>4,701,762</b>	<b>4,604,577</b>	<b>5,028,992</b>	<b>5,028,992</b>	
Beginning Fund Balance	14,471,420	13,942,711	13,645,924	12,537,204	12,537,204	
<b>Total Resources</b>	<b>19,014,466</b>	<b>18,943,301</b>	<b>18,483,354</b>	<b>17,882,654</b>	<b>17,882,654</b>	
<b>Requirements</b>						
Personnel Services	1,228,597	1,215,761	1,200,274	1,363,218	1,363,218	
External Materials and Services	3,024,143	3,200,554	3,190,669	3,742,442	3,742,442	
Internal Materials and Services	592,298	687,293	606,351	604,227	604,227	
<b>Total Bureau Expenditures</b>	<b>4,845,039</b>	<b>5,103,608</b>	<b>4,997,294</b>	<b>5,709,887</b>	<b>5,709,887</b>	
Debt Service	79,782	87,479	95,153	100,933	100,933	
Contingency	0	0	13,277,006	11,949,212	11,949,212	
Fund Transfers - Expense	146,934	106,290	113,901	122,622	122,622	
<b>Total Fund Expenditures</b>	<b>226,716</b>	<b>193,769</b>	<b>13,486,060</b>	<b>12,172,767</b>	<b>12,172,767</b>	
Ending Fund Balance	13,942,711	13,645,925	0	0	0	
<b>Total Requirements</b>	<b>19,014,466</b>	<b>18,943,302</b>	<b>18,483,354</b>	<b>17,882,654</b>	<b>17,882,654</b>	

## Fund Overview

The Workers' Compensation Self Insurance Operating Fund supports the City's self-insured workers' compensation program, including claims administration, and Citywide loss prevention.

Fund expenditures are primarily for claims-related payments. Projected claims are based on an independent actuarial study, which includes a projection for the current fiscal year and for the next five years.

The reserve requirement is derived from the annual actuarial study, which recommends a range of reserve levels needed to cover outstanding incurred liabilities. The range of estimates is produced by calculating reserves at various confidence levels (i.e., the probability that actual losses will not exceed the reserve level). Reserves are stated at a discounted level, which takes into account the interest the fund earns on the fund balance. The fund reserves are currently forecasted at a discounted confidence level of 75%. Interagency revenues are projected on a five-year basis so that, by year five, the fund will arrive at the required claims reserve forecasted for the fifth year by the actuary. This five-year smoothing of interagency rates is designed to mitigate large fluctuations in rates from year to year.

## Managing Agency

Office of Management & Finance, Bureau of Revenue & Financial Services

Workers Compensation Fund 705  
 Calculation of FY 2019-20 rate budget target  
 Includes 50% share of Loss Prevention/Commercial Insurance

	Final FY 2018-19 Target Rate Budget	FY 2018-19 decision packages (MF_57)	FY 2018-19 Adopted Rate Budget	FY 2019-20 Inflation Rates	FY 2019-20 Target Rate Budget	FY 2019-20 Target Rate Budget adjustments	Final FY 2019-20 Target Rate Budget
<b>Personal Services</b>							
Personal services (salary and wage-driven benefits)	\$818,766	\$0	\$818,766	4.50%	\$847,054	\$41,564	\$888,618
Health benefits	\$381,508	\$0	\$381,508	4.00%	\$392,800	\$0	\$392,800
<b>M&amp;S-External</b>							
EMS	\$221,153	(\$55,771)	\$165,382	3.10%	\$168,804	(\$34,315)	\$134,489
Blank	\$0	\$0	\$0	3.10%	\$0	\$0	\$0
Blank	\$0	\$0	\$0	3.10%	\$0	\$0	\$0
<b>M&amp;S-Internal</b>							
Fleet Services	\$26	\$0	\$26	3.79%	\$27	\$0	\$27
Print/Distribution	\$8,923	\$0	\$8,923	3.68%	\$9,158	\$0	\$9,158
Facilities Services	\$105,421	\$0	\$105,421	3.63%	\$108,159	(\$39,862)	\$68,298
EBS	\$16,208	\$0	\$16,208	3.77%	\$16,651	\$0	\$16,651
BTS	\$41,828	\$0	\$41,828	3.88%	\$43,016	(\$1,634)	\$41,382
Workers' Comp	\$0	\$0	\$0	3.60%	\$0	\$0	\$0
Insurance & Claims	\$7,856	\$0	\$7,856	1.05%	\$7,859	\$0	\$7,859
Other inter-fund services	\$252,183	\$0	\$252,183	3.77%	\$259,068	\$0	\$259,068
Capital	\$0	\$0	\$0	3.10%	\$0	\$0	\$0
Sub-total Bureau Program Expenses	\$1,853,872	(\$55,771)	\$1,798,101		\$1,852,597	(\$34,247)	\$1,818,350
Debt Service	\$106,761	\$0	\$106,761	0.00%	\$106,761	\$10,863	\$117,624
Fund balance/contingency	\$0	\$0	\$0	0.00%	\$0	\$0	\$0
Major maintenance/replacement not included above	\$0	\$0	\$0	3.10%	\$0	\$0	\$0
<b>Total</b>	<b>\$1,960,633</b>	<b>(\$55,771)</b>	<b>\$1,904,862</b>		<b>\$1,959,358</b>	<b>(\$23,384)</b>	<b>\$1,935,974</b>
<b>Plus/minus systemic cost increases</b>				<b>At 100%</b>	<b>At 99%</b>		
PERS Target Adjustment				\$41,984	\$41,564	(\$41,564)	\$0
PERS debt service change				\$10,973	\$10,863	(\$10,863)	\$0
Portland Building 50% of one-time cash funding requirement				(\$40,265)	(\$39,862)	\$39,862	\$0
Data center costs (FY 2019-20)				(\$1,651)	(\$1,634)	\$1,634	\$0
Adjustment to equalize EMS/per person					(\$34,315)	\$34,315	\$0
<b>Adjusted Target Rate Budget</b>					<b>\$1,935,974</b>	<b>\$0</b>	<b>\$1,935,974</b>
General Fund overhead	\$100,114		\$102,293	3.77%	\$106,147	\$0	\$106,147
<b>Target Rate Budget plus GFOH</b>	<b>\$2,060,747</b>	<b>(\$55,771)</b>	<b>\$2,007,155</b>		<b>\$2,042,121</b>	<b>\$0</b>	<b>\$2,042,121</b>

## Rate Transparency Comparison

### BRFS – Risk Management

Rate	FY 2018-19	FY 2019-20	% Change	FY 2019-20 rate budget
Workers' Compensation Self-Insurance Premium	\$4,608,994	\$5,029,714	9.13%	\$5,029,714
I&C General Liability Self-Insurance Premium	\$8,176,457	\$7,433,330	-9.09%	\$7,433,330
I&C Fleet Liability Self-Insurance Premium	\$1,474,424	\$1,552,021	5.26%	\$1,552,021

### Narrative on variances

Workers' Compensation Self-Insurance Premium – The rate increased due to higher claims costs and reserves requirements as per the fund's actuarial study.

I&C Fleet Liability Self-Insurance Premium – The rate increased due to higher claims costs and reserves requirements as per the fund's actuarial study.

# BUREAU OF TECHNOLOGY SERVICES

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## Bureau of Technology Services

### Overview

The Bureau of Technology Services (BTS) is responsible for management, policy setting, strategic planning, and leadership in the use of computer, radio, and telecommunications technologies to support the delivery of effective government services to the City of Portland and its regional partners.

In FY 2019-20, BTS's focus will be delivering core services, while leveraging emerging technologies through its work with the Technology Executive Steering Committee (TESC). This is the first year of an annual workplan focusing on the core enterprise projects, which are supported by the TESC and stakeholders.

### Capital Summary

BTS is responsible for management, policy setting, strategic planning, and leadership in the use of computer, radio, and telecommunications technologies to support the delivery of effective government services to the City of Portland and its regional partners. In FY 2019-20 BTS will continue to focus on delivering core services, while leveraging emerging technologies through its work with the TESC. This is the second year of an annual BTS workplan that focuses on prioritized core enterprise projects, which are supported by the TESC and stakeholders.

Printing and Distribution (P&D), a division within BTS, is responsible for all City printing, mailing, photocopiers, and the management of said equipment. P&D works with bureaus to streamline their communication budgets and allow them to focus on their core missions. It manages the City's sustainable paper policy with Procurement to ensure proper paper purchasing. This year P&D will work very closely with other BTS divisions to ensure a successful implementation of the new Print Management System into the completed Portland Building. P&D was moved to BTS in FY 2017-18. The following describes program offers within BTS.

Office of the Chief Technology Officer & Administration - The Office of the Chief Technology Officer (CTO) & Administration plans, organizes, integrates, and directs the organization, financial management, administration, personnel, technology service delivery, and bureau operations.

Business Solutions develops and supports corporate-wide and bureau-specific business applications and services, and advances e-government and e-commerce initiatives that addresses both internal and public needs.

Communications maintains large telecommunications, video surveillance, and network environments, along with radios and other electronic equipment.

Enterprise Business Solution (EBS) manages the SAP application for the City and has a mission to deliver and support innovative, integrated, and cost-effective enterprise solutions to City customers.

Customer Relations & Enterprise Architecture works with customers to identify business requirements to develop solutions and service level agreements aligned with their business needs. Responsible for Citywide Information Technology (IT) strategic planning, activities, and technology roadmaps.

Information Security ensures the confidentiality, integrity, and availability of all City data and communications systems and assets.

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P&D provides low-cost, sustainable, and centralized reproduction and mailing services to the City, other agencies, and the public. P&D also ensures the City's printing and mailing standards are followed on all projects.

Public Safety Technology maintains a robust public safety radio and emergency dispatch system, supports application development and maintenance, and provides quality dispatch, radio, infrastructure, and field support to the City's public safety bureaus.

Production Services maintains the City's data center facilities, supports the City's server, email, storage and backup infrastructure, and effectively maintains the infrastructure of the City's mission critical technology systems.

Project Management Office delivers effective and consistent bureau-wide project management practices for all disciplines of technology services provided by each BTS program.

Support Center acts as the first point of contact for the majority of customer information technology support needs, as well as implements and manages effective tracking systems and tools.

### **CIP Highlights**

Technology Services has 38 planned CIPs and Operating Projects for FY 2019-20. Major projects include the Portland Oregon Website Replacement (POWR) project, the IRNE Fiber Expansion program, and SAP HANA Migration. In addition, the BTS Information Security team will continue work on a Firewall Refresh operating project, improving the security of services such as SAP and ensuring continuing compliance with Payment Card Industry (PCI) requirements. Expected FY 2019-20 CIP costs total just over \$10,100,000, and additional operating projects bring the total budget to approximately \$12,600,000.

### **Major Issues**

**Funding Bureau of Technology Services Projects** BTS has some major maintenance funding available in its budget to cover capital projects, however, those funds are frequently insufficient to meet all CIP financial demands and operating projects. Any unsupported costs must be covered by technology reserves. Reserves are only available if BTS underspends its budget, receives additional revenue from increased customer demand for service, or finds savings through efficiencies. Bureau budget reductions will reduce savings and lower revenues, making it more difficult to set aside funds for projects. In addition to project costs, many of these projects have ongoing operating expenses. While BTS might be able to fund some of the project costs, it will have to look to others for ongoing funding assistance for ongoing costs of customer-driven projects.

**Critical Technology Recovery in a Disaster** The City relies extensively on technology to provide critical services to the public. A large-scale natural or human-caused disaster can result in catastrophic destruction of numerous technology systems that are essential for the City's ongoing operation. Key services relying on technology include communications for law enforcement, fire and rescue, emergency dispatch, payroll, revenue collection, and accounts payable. Although BTS has invested significantly in improving the reliability and availability of key technology systems, a large local disaster could result in complete loss of critical technology assets which would take months to restore. BTS has partially addressed this concern through the Data Center Move project and is working on completing additional safety measures by securing other data centers.

**Serving the Community** Replacing the existing [Portlandoregon.gov](http://Portlandoregon.gov) website with a Drupal (open source) framework will improve flexibility and scalability while providing options for new technology integration. This allows for more effective management and sharing of digital assets (images, videos) while improving site security and accessibility.

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Leveraging SAPSAP's future roadmap is based on utilizing a digital core that seamlessly integrates with best-of-breed SAP products and partners. This initiative aligns with the strategic roadmap for the City of Portland to make the best use of the City's existing investment in SAP by moving forward with technology that enables several benefits, including lower ownership cost, enhanced interface, and improved reporting capabilities.

**Changes from Prior Year**

BTS has several multi-year major projects concluding in FY 2018-19 and some new projects beginning in FY 2019-20.

In the Communications program, the IRNE Voice System Technology Refresh project is expected to be completed during FY 2018-19. This project has upgraded the City's telecommunications platform to provide a metro-wide communications refresh for all City locations. Two major projects starting in FY 2019-20 are the IRNE Fiber Expansion Program, budgeted at \$1,250,000 with an estimated total project expense of \$6,250,000, and the I-Net Capital Improvement Project budgeted at \$500,000.

In the Production Services program, BTS will complete the three-year Data Center Move project. This project has established a primary secure data center site outside of the Portland metro area. While the completion of the Data Center Move project provides the City with a secure primary data center, the City is still somewhat susceptible in the event of a disaster. The FY 2019-20 budget addresses two additional data center needs. BTS will begin an \$873,000 project to continue developing the Secondary Data Center in Colorado and will also begin a \$1.3 million project to make necessary upgrades to the Public Safety Data Center.

In the EBS program, BTS expects to complete the Success Factors On-boarding & Performance Management project during FY 2018-19. This project brings Human Resources an on-boarding solution that enhances and streamlines the user experience for new City employees. This project includes connecting new employees to their new team members, online forms and signatures, task lists, assignment of required training, and many other features. A new project for EBS in FY 2019-20 will be an SAP Suite on HANA. This \$2.2 million two-year project upgrades SAP and equips the City with SAP's S/4 HANA, a digital core for seamless integration for all SAP products.

**Council Goals and Priorities**

The bureau's CIP indirectly supports Council goals of ensuring a safe and peaceful community through Public Safety & Technology, Information Security, Production Services, and Communications projects that provide support, backup safety systems, data security, and enhanced emergency communications systems.

**Criteria**

For this capital plan, BTS continues to focus on the critical core elements of its infrastructure, with an emphasis on infrastructure that addresses maintenance, security, and reliability of key systems, and provides the capacity to meet the City's changing business needs. The CIP was a coordinated effort between the Technology Services programs of Communications, Production Services, Information Security, Support Center, Enterprise Architecture, Business Solutions, Enterprise Business Solutions, and Public Safety Technology. Priority was given to essential core services, system upgrades, and replacements that maintain the stability and security of core data services, continuity of critical services, customer requirements, and asset replacements that facilitate cost savings and efficiency.

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## Capital Planning and Budgeting

### Capital Planning Process

The BTS programs responsible for CIPs identified their projects and reasons for inclusion in the budget and submitted them to a management review group for approval and coordination. Priority was given to items that supported the clear business needs of BTS and its customers. BTS also reviewed its capital improvement projects with the City's Technology Customer Stakeholder Committee, which shares budget proposals with customer technology liaisons and financial staff, and elicited feedback to assure that planned projects meet desired needs.

Since BTS is responsible for the City's information technology and communications infrastructure, primary coordination opportunities exist in maintaining a secure, robust infrastructure to maintain business continuity in the event of a disaster.

### City Comprehensive Plan

Technology Services supports the City's Comprehensive Plan both directly and indirectly. A guiding principle of the plan includes Economic Prosperity. BTS helps bureaus achieve economic prosperity by striving to provide state-of-the-art technology through its capital programs so that bureaus can then use that functionality to further their own goals of providing outstanding services to the community. Equity, another plan guiding principle, is indirectly part of Technology Service's capital program through its hiring, personnel, management policies, and daily focus and awareness on equity in the bureau's work. Lastly, the plan's guiding principle of Resilience can be seen throughout the BTS capital programs through the many Information Security projects that protect these systems and assure their operation.

### Financial Forecast Overview

Most of the funding for Technology Services projects comes from a combination of major maintenance reserves, major maintenance funding through interagency rates, and technology reserves. Some of these funds are dedicated to specific BTS programs, while others are made available to the general fund. The EBS program has major maintenance reserves and major maintenance funding through interagency rates so it can sufficiently cover the cost of its capital projects. Communications, Production Services, Information Security, and Public Safety Technology all have major maintenance funding through interagency rates. These funds cover some of the project expenses, with the balance coming from technology reserves. The remaining BTS programs rely on technology reserves to cover costs.

The financial impact of projects on BTS operations depends on its ability to set aside technology reserves to fund projects. As previously stated, those reserves are only made available through underspending or through earning additional unplanned revenue. BTS is better able to do that when the City, and specifically customer bureaus, are in a position to add or maintain funding in their budgets to cover ongoing costs for maintaining existing inventories and requested services. When customer bureaus are put in a position of having to make reductions, those reductions directly impact BTS operations by limiting their ability to generate technology reserves for CIPs.

### Asset Management and Replacement Plan

Given the nature of technology and how rapidly the technology landscape is evolving, it is difficult to project what Technology Services project funding needs will be beyond three years. However, BTS can use the current year's budget and the project budget for the next three years to get an approximation of annual funding needs. The current year's budget totals more than \$17,000,000, but should be adjusted for the Data Center Project, a one-time customer funded project. The FY 2019-20 project budget totals \$12,600,000, followed by estimates of \$8,000,000 for the following two years. This data indicates that about

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\$10,000,000 is needed annually to fund BTS projects. About 80% of that funding is needed to cover capital projects with the balance needed for operating projects. Existing funding sources are reserves and rate funding. Ongoing, sustainable, and reliable funding sources are only from rates. Currently those total slightly less than \$3 million annually. Asset management and replacement plans are reviewed annually by program and bureau management as part of the CIP process. In the event the bureau anticipates a major project is needed and sufficient funding will not be available, it will work directly with the customers, the CBO, and Council to establish a funding source. Examples of this include the Radio Replacement Project and Data Center Move.

## Capital Programs and Projects

### Capital Program Descriptions

Rather than a bureau-specific capital program, BTS has Citywide programs that incorporate capital project planning and analysis as part of their core responsibilities. The goals for all BTS programs are to maintain existing assets, regularly upgrade assets to keep them current with industry standards, expand the use of assets where they can better meet the needs of City bureaus, and anticipate where asset replacements and new purchases will be needed. One of the challenges for BTS is completing planned projects. The bureau maintains a staffing level sufficient to carry out daily operations that allows it to provide efficient, effective, and timely customer service. Adding various projects to that workload compounds employees' responsibilities and necessitates having to reallocate limited time. The following are the CIP budgets for each of the bureau programs: Communications (\$5,079,300); Production Services (\$1,261,200); Support Center (\$944,600); Business Solutions (\$489,700); Public Safety Technology (\$100,000); EBS (\$2,240,504).

### Funding Sources

Funding sources for the bureau include major maintenance reserves, technology reserves, and rate funding. The EBS program receives rate funding for projects and holds funds as major maintenance reserves until they are needed. Some of the other programs also receive rate funding, but those funds are always spent the year they are received. Technology reserves represent funds that are made available at year-end from underspending expenses or collecting more than anticipated in revenues. When EBS became part of BTS in FY 2016-17, it came with a major maintenance reserves fund. Those reserves have been identified and budgeted separately in a contingency account in the BTS fund and will be held specifically for EBS projects.

### Major Projects

**Data Center Move, Secondary Data Center, and Public Safety Data Center:** This project has been successfully completed, and an off-site data center has been established. This project was scheduled to conclude during FY 2018-19. The FY 2019-20 Production Services budget includes two Data Center Move related projects. The Secondary Data Center in Colorado is not yet completed. Funds have been appropriated to continue work on that site, and completion is expected sometime in FY 2020-21. BTS will also begin work on the Public Safety Data Center, which is expected to be a three-year project costing a total of \$1,304,250.

**Enterprise Asset Management Pilot:** For the last few years EBS has budgeted funds for the Enterprise Asset Management Pilot project. That project is being scheduled for FY 2021-22, pending the completion of the upgrade to Suite on HANA.

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**SAP Suite on HANA:** EBS is upgrading the SAP system to Suite on HANA. Moving to this system will set the City up for success in the future with SAP S/4 HANA, the digital core for seamless integration for all SAP products. This will allow EBS to address several key business needs: a more modern interface on desktops, tablets, and mobile devices, increased throughput (faster processing), and improved analytics including real time reporting.

**IRNE Fiber Expansion Program:** The IRNE Fiber Expansion Program will construct a new fiber optic network for the City. This new network will prepare the City for 5G (5th generation) and the need for significant bandwidth required for Smart Cities and all digital initiatives. Key benefits to the new network include: the ability to control the costs and scalability of the fiber optic network, rate generation from participating members, affordability of digital services like Smart City devices and FirstNet Public Safety applications, and affordable and available internet access that will help address equity issues in schools and libraries.

**IRNE Network Technology Refresh:** This ongoing project, also known as the IRNE I-Net Transport Network Core Upgrade, continues to provide capital and lifecycle improvements to the existing IRNE core infrastructure. One of the challenges the Communications program must meet is shaping and managing data traffic. Current data traffic growth, especially in Smart-City initiatives with video cameras, is adding volumes of traffic to the network. This project is helping Communications engineer for this growth.

**Firewall Technology Refresh:** BTS supports a complex array of firewalls that are currently in a lifecycle replacement refresh. A refresh had previously been suspended for the past two years, yielding to higher priority Network Team initiatives related to the Portland Building Move and the Data Center Relocation. BTS is replacing these firewalls with next generation standards while deploying additional security enhancements to ensure City networks meet security due care and diligence requirements, including compliance requirements for Payment Card Industry (PCI), Personally Identifiable Information (PII), and Protected Health Information (PHI – HIPAA).

**City Website Replacement:** BTS continues work on replacing the existing [Portlandoregon.gov](http://Portlandoregon.gov) website with a Drupal (open source) framework to improve flexibility and scalability while providing options for new technology integration. This will allow for more effective management and sharing of digital assets (images, videos) while improving site security and accessibility. The anticipated completion of the project is in FY 2021-22.

**Cherwell Capability Expansion (ITSM Refresh):** Information Technology Service Management (ITSM) is the collection of activities that BTS performs to receive requests and deliver information technology services to its customers. Currently, Cherwell is the City's ITSM solution. Ad hoc enhancements have been made to Cherwell meeting specific service management needs over time, but there has not been a coordinated effort to design and implement a more thoughtful enterprise solution. This project is currently underway and BTS is making improvements to meet industry best practices in implementation and management of quality IT services. This is a multi-year project with expenses projected through FY 2023-24.

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## Net Operating and Maintenance Costs

Completion of the CIP and Operating Projects in the BTS Five-Year Plan will result in an increase to ongoing operations and maintenance expenses of more than \$1,000,000 annually. This is only a preliminary estimate as project and bureau managers are currently reviewing each project to more accurately estimate operating expense changes. In some cases, refresh projects will result in no material change to current maintenance and support costs. Other projects are enhancing or expanding systems either at the request of customers or to meet increased customer and City needs. Increasing a system's capacity comes with added maintenance costs. Specific examples of these cost increases include:

- ◆ IRNE Fiber Expansion Program - The City is constructing a new fiber optic network. Constructing and expanding the network brings additional support costs for maintenance. Those costs include troubleshooting and repair, additional feasibility studies for new or shared builds, project management, and e-rate submissions. At this time estimated ongoing operating and maintenance costs are \$300,000 annually.
- ◆ Portland Oregon Website Replacement (POWR) – This project is developing a new website for the City of Portland. The new website will be community-oriented where services are easier to find, access, and understand. The site will be easily searchable, fast, efficient, and secure. Providing and maintaining this service requires ongoing operating and maintenance expenses estimated to be about \$100,000 annually.
- ◆ SAN Storage Expansion – This project provides for lifecycle replacement and increased capacity of centralized storage and enterprise backup, to meet demands from projects and data growth. Ongoing operating and maintenance costs total \$150,000 annually.

BTS does not have the capacity within its current budget structure and interagency rates to absorb these additional ongoing expenses. If City bureaus agree there is a need for these additional services, they will also have to accept that their interagency rates will need to increase beyond inflation to cover the ongoing costs.

**Summary of Division Budget**

	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Requested FY 2018-19
<b>Resources</b>					
<b>External Revenues</b>					
Charges for Services	566,334	495,441	514,428	614,962	614,962
Intergovernmental	5,611,855	5,050,214	5,889,485	6,007,701	6,007,701
Bond & Note	0	0	0	211,702	211,702
Miscellaneous	788,968	1,046,421	916,010	787,977	787,977
<b>Total External Revenues</b>	<b>6,967,157</b>	<b>6,592,077</b>	<b>7,319,923</b>	<b>7,622,342</b>	<b>7,622,342</b>
<b>Internal Revenues</b>					
Fund Transfers - Revenue	0	1,344,555	0	0	0
Interagency Revenue	67,467,715	73,130,725	73,701,170	70,486,178	70,628,478
<b>Total Internal Revenues</b>	<b>67,467,715</b>	<b>74,475,280</b>	<b>73,701,170</b>	<b>70,486,178</b>	<b>70,628,478</b>
Beginning Fund Balance	27,871,313	26,931,050	37,815,408	28,147,625	28,147,625
<b>Total Resources</b>	<b>\$102,306,185</b>	<b>\$107,998,407</b>	<b>\$118,836,501</b>	<b>\$106,256,145</b>	<b>\$106,398,445</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	31,911,581	33,852,727	36,859,787	39,062,702	39,195,002
External Materials and Services	24,859,452	23,142,968	33,956,974	30,908,215	30,918,215
Internal Materials and Services	9,264,577	10,007,980	9,941,251	4,968,502	4,968,502
Capital Outlay	2,565,735	440,388	5,949,953	5,317,404	5,317,404
<b>Total Bureau Expenditures</b>	<b>68,601,345</b>	<b>67,444,063</b>	<b>86,707,965</b>	<b>80,256,823</b>	<b>80,399,123</b>
<b>Fund Expenditures</b>					
Debt Service	3,579,681	595,254	832,085	882,627	882,627
Contingency	0	0	22,196,775	21,681,314	21,681,314
Fund Transfers - Expense	2,341,755	2,619,784	7,386,173	3,435,381	3,435,381
<b>Total Fund Expenditures</b>	<b>5,921,436</b>	<b>3,215,038</b>	<b>30,415,033</b>	<b>25,999,322</b>	<b>25,999,322</b>
Ending Fund Balance	26,931,050	36,400,478	0	0	0
<b>Total Requirements</b>	<b>\$101,453,831</b>	<b>\$107,059,579</b>	<b>\$117,122,998</b>	<b>\$106,256,145</b>	<b>\$106,398,445</b>
<b>Programs</b>					
Information Security	1,479,202	1,603,776	3,849,879	3,373,482	3,373,482
Administration & Support	8,376,127	8,429,207	3,875,146	4,089,271	4,089,271
Support Center	6,681,551	6,937,992	8,726,336	9,095,050	9,095,050
Office of the Chief Technology Officer	63	0	0	0	0
Replacement	1,086,427	1,564,623	0	0	0
Enterprise Business Solution	8,061,007	8,800,895	11,171,105	8,422,507	8,422,507
Printing & Distribution	5,453,897	5,678,552	7,579,574	7,663,047	7,663,047
Project Management Office	1,137,632	1,565,853	2,192,358	2,206,197	2,206,197
Duplicating	765,555	727,778	0	0	0
Police IT	2,122,908	3,831,015	8,519,275	6,675,113	6,675,113
Customer Relations	903,117	1,119,921	1,158,455	1,709,088	1,851,388
Assessments & Improvements	69	0	0	0	0
Business Solutions	7,868,736	8,351,836	11,109,167	9,603,185	9,603,185
Infrastructure & Engineering	(1,129,665)	0	0	0	0
Production Services	9,458,587	7,231,445	12,171,347	7,107,439	7,107,439
Copy Services	460	283	0	0	0
Communications	16,335,678	11,600,885	16,355,323	20,312,444	20,312,444
<b>Total Programs</b>	<b>68,601,349</b>	<b>\$67,444,063</b>	<b>\$86,707,965</b>	<b>\$80,256,823</b>	<b>\$80,399,123</b>

**FTE Summary**

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30003003	Administrative Specialist II	48,277	89,523	2.00	144,425	2.00	144,425	2.00	144,425
30003004	Administrative Specialist III	53,290	98,800	1.00	85,238	1.00	85,238	1.00	85,238
30003008	Analyst III	69,805	126,318	2.00	197,808	2.00	197,808	2.00	197,808
30000203	Applications Analyst II-Generalist	67,142	89,523	1.00	89,523	1.00	89,523	1.00	89,523
30000204	Applications Analyst III-Generalist	74,090	98,904	13.00	1,127,944	13.00	1,186,997	13.00	1,186,997
30000207	Applications Analyst IV-Generalist	77,854	104,146	12.00	1,171,116	12.00	1,184,262	13.00	1,262,116
30000206	Applications Analyst IV-GIS,Enterprise	77,854	104,146	2.00	208,292	2.00	208,292	2.00	208,292
30001234	Applications Analyst IV-Web Developer	77,854	104,146	2.00	202,759	2.00	202,759	2.00	202,759
30003011	Business Systems Analyst II	63,336	105,373	14.00	1,417,460	14.00	1,417,460	15.00	1,501,814
30003012	Business Systems Analyst III	69,805	126,318	3.00	331,938	3.00	331,938	3.00	331,938
30000700	Communications Engineer	77,854	104,146	1.00	104,146	1.00	104,146	1.00	104,146
30003024	Communications Engineer II	69,805	126,318	2.00	219,316	2.00	219,316	2.00	219,316
30000238	Communications Switch Technician	66,518	80,662	1.00	80,662	1.00	80,662	1.00	80,662
30003025	Communications System Administrator	80,205	140,338	1.00	116,938	1.00	116,938	1.00	116,938
30003035	Deputy Director II	92,851	162,490	1.00	162,490	1.00	162,490	1.00	162,490
30003038	Director II	130,478	208,770	1.00	193,294	1.00	193,294	1.00	193,294
30000041	Distribution Technician	45,677	55,994	3.00	157,664	3.00	160,836	3.00	160,836
30000042	Distribution Technician, Lead	47,965	58,739	1.00	58,739	1.00	58,739	1.00	58,739
30000234	Electronics Technician I: Communications	56,826	68,994	3.00	206,981	3.00	206,981	3.00	206,981
30000236	Electronics Technician II: Commun	66,518	80,662	6.00	469,830	6.00	474,396	6.00	474,396
30002610	Electronics Technician III: Commun	73,632	84,864	3.00	221,331	3.00	244,428	3.00	244,428
30000341	GIS Technician I	44,221	59,259	1.00	59,259	1.00	59,259	1.00	59,259
30000218	Inf Syst Analyst, Principal-Gen	87,797	116,938	24.00	2,659,973	25.00	2,835,193	25.00	2,835,193
30000217	Inf Syst Analyst, Principal-GIS Enterprs	87,797	116,938	4.00	467,752	4.00	467,752	4.00	467,752
30000880	Inf Syst Analyst, Principal-GIS,Vertical	87,797	116,938	1.00	87,797	2.00	219,305	2.00	219,305
30000219	Inf Syst Analyst, Principal-Proj Mgmt	87,797	116,938	5.00	502,986	5.00	532,126	5.00	532,126
30000198	Inf Syst Tech Analyst I-Generalist	49,067	75,525	3.00	163,236	3.00	179,067	3.00	179,067
30000199	Inf Syst Tech Analyst II-Generalist	52,707	81,162	6.00	393,245	6.00	407,472	6.00	407,472
30000200	Inf Syst Tech Analyst III-Generalist	63,960	85,238	3.00	245,793	3.00	245,793	3.00	245,793
30000210	Inf Syst Tech Analyst IV-Generalist	67,142	89,523	19.00	1,608,736	19.00	1,625,267	19.00	1,625,267
30000211	Inf Syst Tech Analyst IV-Telecomm	67,142	89,523	4.00	347,463	4.00	347,463	4.00	347,463
30000212	Inf Syst Tech Analyst IV-Vertical GIS	67,142	89,523	1.00	79,394	1.00	79,394	1.00	79,394
30000213	Inf Syst Tech Analyst V-Generalist	74,090	98,904	23.00	2,119,589	23.00	2,166,403	23.00	2,166,403
30001933	Inf Syst Tech Analyst V-Proj Mgmt	74,090	98,904	1.00	84,302	1.00	84,302	1.00	84,302
30002608	Inf Syst Tech Analyst V-Telecomm	74,090	98,904	2.00	148,179	2.00	185,401	2.00	185,401
30000214	Inf Syst Tech Analyst V-Vertical GIS	74,090	98,904	2.00	180,839	2.00	189,384	2.00	189,384
30000215	Inf Syst Tech Analyst VI-Generalist	77,854	104,146	16.00	1,604,164	16.00	1,630,455	16.00	1,630,455
30000216	Inf Syst Tech Analyst VI-Proj Mgmt	77,854	104,146	1.00	77,854	1.00	91,000	1.00	91,000
30002108	Information Security Architect	91,312	121,638	3.00	364,914	3.00	364,914	3.00	364,914
30003068	Information Security Manager	92,851	162,490	1.00	152,256	1.00	152,256	1.00	152,256
30003069	Information Systems Manager I	80,205	140,338	7.00	891,966	7.00	891,966	7.00	891,966
30003070	Information Systems Manager II	91,728	152,277	8.00	1,078,967	8.00	1,078,967	8.00	1,078,967
30003071	Information Systems Manager III	92,851	162,490	3.00	452,296	3.00	452,296	3.00	452,296
30003072	Information Systems Supervisor	69,805	126,318	7.00	799,491	7.00	799,491	7.00	799,491
30003081	Manager I	80,205	140,338	1.00	114,920	1.00	114,920	1.00	114,920
30000013	Office Support Specialist III	47,902	63,482	1.00	47,902	1.00	49,982	1.00	49,982
30000044	Printing & Distrib Custmr Svc Rep, Lead	56,181	70,366	1.00	70,366	1.00	70,366	1.00	70,366
30000043	Printing & Distrib Customer Svc Rep	48,880	61,110	3.00	171,101	3.00	173,254	3.00	173,254
30000047	Reprographic Operator I	40,331	51,709	5.00	258,544	5.00	258,544	5.00	258,544
30000048	Reprographic Operator II	48,880	61,110	2.00	122,221	2.00	122,221	2.00	122,221

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30000049	Reprographic Operator III	56,181	70,366	2.00	126,547	2.00	129,012	2.00	129,012
30000053	Storekeeper/Acquisition Specialist I	48,755	59,696	2.00	119,392	2.00	119,392	2.00	119,392
30000054	Storekeeper/Acquisition Specialist II	51,251	62,670	1.00	62,670	1.00	62,670	1.00	62,670
30000056	Storekeeper/Acquisition Specialist III	57,907	71,947	1.00	71,947	1.00	71,947	1.00	71,947
30003104	Supervisor II	69,805	126,318	2.00	183,664	2.00	183,664	2.00	183,664
30003107	Technology Business Representative	80,205	140,338	5.00	594,422	5.00	594,422	5.00	594,422
30003108	Technology Capital Project Manager	91,728	152,277	2.00	259,552	2.00	259,552	2.00	259,552
<b>TOTAL FULL-TIME POSITIONS</b>						248.00	23,741,596	250.00	24,365,802
30000207	Applications Analyst IV-Generalist	77,854	104,146	0.90	58,582	0.90	58,582	0.90	58,582
<b>TOTAL PART-TIME POSITIONS</b>						0.90	58,582	0.90	58,582
30000203	Applications Analyst II-Generalist	67,142	89,523	1.00	67,142	1.00	78,333	1.00	78,333
30003300	Electronics Technician, Assistant	47,882	52,062	1.00	47,882	1.00	49,972	1.00	49,972
30003107	Technology Business Representative	80,205	140,338	1.00	114,691	1.00	108,609	1.00	108,609
30003108	Technology Capital Project Manager	91,728	152,277	2.00	275,100	2.00	275,100	2.00	275,100
<b>TOTAL LIMITED TERM POSITIONS</b>						5.00	504,815	5.00	512,014
<b>GRAND TOTAL</b>						253.90	24,304,993	255.90	24,936,398

# BTS - Administration & Support

## Program Description & Goals

BTS's Administration & Support program supports the City's goal to deliver efficient, effective, and accountable municipal administrative services as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions by setting Citywide policy governing the use of technology resources.

Program performance measures include a four-day target of filling personal computer orders, which has remained steady for the last five years. The program has a strategic target to achieve a three-day turnaround in FY 2021-22.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Administration & Support program activities support the bureau's long-term goal of ending disparities in City government hiring and promotions by:

- Ensuring performance appraisals and evaluations for managers and supervisors include progress on racial equity and cultural responsiveness goals.
- Subject Matter Expert (SME) resume reviewers are consulted to eliminate institutional and personal racial bias in the resume review process.
- All bureau staff have opportunities to develop racial equity competencies and staff of color have meaningful opportunities for professional growth.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of days elapsed from ordering a new desktop PC to installation	4	4	0	4	0

## Explanation of Services

Under the guidance of the Chief Technology Officer (CTO), Administration & Support delivers efficient and effective ordering, storekeeping, budget development, and administrative services. Administration & Support plans, organizes, integrates, and directs the organization, financial management, administration, personnel, and operations of the bureau.

Administration & Support executes streamlined processes to deliver timely and efficient technology product orders, delivers consistent and effective administrative services including bureau policy development, timekeeping, payroll, and personnel administration, maintains effective inventory controls, and provides budget coordination with OMF Business Operations.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

BTS's base budget was developed with the goal of achieving one percent reductions by identifying efficiencies with minimal service impacts in FY 2019-20.

Since 2016, BTS has acquired two additional City programs: Enterprise Business Systems (EBS) and Printing & Distribution (P&D). The addition of these programs came without additional administrative support resources, resulting in continued efforts to streamline processes to ensure staff administrative needs are being met.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	207,608	269,126	321,454	287,954
Internal Materials and Services	6,480,898	6,313,424	1,784,152	1,656,778
Personnel	1,589,144	1,557,061	1,769,540	2,144,539
<b>Fund Expense</b>				
Contingency	0	0	17,609,595	5,561,578
Debt Service	142,324	142,324	647,474	686,801
Fund Transfers - Expense	2,003,245	2,046,284	2,353,768	3,167,430
<b>Sum:</b>	<b>10,423,219</b>	<b>10,328,219</b>	<b>24,485,983</b>	<b>13,505,080</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	12	12	14	14
<b>Sum:</b>	<b>12</b>	<b>12</b>	<b>14</b>	<b>14</b>

**Resources:** The Administrative & Support program's budget is redistributed to other bureau programs as overhead and is supported through both interagency and non-City revenues. In general, these resources are stable and sustainable, but are subject to changes in the economy. Prior year trends have shown slow but steady growth in resources as customer bureaus have benefited from the strong local economy. The forecasted trend is for that growth to continue, but at a slower rate.

**Expenses:** The program's primary expenses are in personnel services, internal materials and services (M&S), and cash transfers. Personnel expenses are relatively fixed and predictable and are minimized as much as possible considering the staff supports 250 positions. Internal M&S expenses in some cases are recorded in this program even though certain services that are received support all BTS programs. For example, much of the internal M&S expense is for OMF services which benefit the entire bureau. Cash transfers are mainly for General Fund Overhead.

**Staffing:** BTS Administration & support has 14.0 FTE. Positions include the Chief Technology Officer (Director II), Assistant Chief Technology Officer (Deputy Director II), Executive Assistant (Administrative Specialist II) Technology Capital Project Managers, IS Supervisor, Operations Manager (Analyst III), Administrative Specialist II, and Storekeepers.

**Assets and Liabilities:** N/A

### Program Information

**Bureau:** Office of Management & Finance  
[https://www.portlandoregon.gov/  
bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Program Contact:** Amy Tuttle

**Contact Phone** 503-823-7930

# BTS - Customer Relations

## Program Description & Goals

Customer Relations supports the City's goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions by aligning customer business needs with appropriate technology solutions

Performance is measured by BTS effectiveness in providing Citywide technology leadership, as measured by BTS Customer Service Satisfaction Surveys. On a scale of 1-5, Customer Relations achieved an average of 3.03 in FY 2017-18 – up from 2.6 in FY 2016-17, with a strategic target of 4 in FY 2021-22.

All BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Citywide Technology Leadership Rating (per customer survey, 1-5 scale)	2.60	3.03	0	3.00	0

## Explanation of Services

Customer Relations develops technology solutions, roadmaps, and service level agreements that are aligned with bureau business needs.

Through the Technology Business Consultants (TBCs) and the Enterprise Architecture team (EA), the Customer Relations program is responsible for understanding customer business needs and key challenges. The groups work collaboratively to gather business requirements, manage the project request intake process, and develop technology work plans in concert with the annual budget process. Additionally, the EA team is responsible for developing and maintaining the BTS technology strategic plan and roadmap. Customer Relations provides transparent, timely communications, builds strong relationships between BTS and its customers, and provides creative problem solving for complex or unique technology-related customer business needs.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

BTS's base budget was developed with the goal of achieving cuts by identifying efficiencies with minimal service impacts in FY 2019-20. In FY 2018-19, EA activities were transferred into the Customer Relations program to better align customer engagement services with the City's long-term technology roadmap.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	125,000
Personnel	0	0	0	0
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,000</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	0
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Resources:** Customer Relations is a bureau overhead program benefiting all BTS programs. Resources supporting the program come from all interagency rates. The existing program structure allows for equal and open access to all City bureaus for the services the program provides.

**Expenses:** Program expenses are predominantly personnel as the function of the program is for TBCs and the EA team to work collaboratively with customer bureaus. Costs are effectively fixed and required to meet the requested needs of customers.

**Staffing:** Customer Relations has 9.0 FTE including a Customer Relations Manager, an Enterprise Architecture Manager, Technology Business Consultants, and technical analysts.

**Assets and Liabilities:** There are no key assets owned or operated by this program.

## Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/bts/index.cfm?>

**Program Contact:** Amy Tuttle  
**Contact Phone** 503-823-7930

# BTS - Business Solutions

## Program Description & Goals

BTS Business Solutions supports the City's goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading citywide initiatives, and adopting 21st century business solutions through the development and delivery of innovative application development and management services that allow customers to meet business objectives.

Performance of this program is measured by the availability of PortlandOregon.gov and PortlandMaps.com with the strategic target of 99.99% availability expected to be met in FY 2019-20.

BTS program managers, along with subordinate managers and supervisors, support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Portlandoregon.gov uptime percentage	100.00%	99.99%	0	100.00%	0
PortlandMaps.com uptime percentage	100.00%	99.99%	0	100.00%	0

## Explanation of Services

Business Solutions develops and supports Citywide and bureau-specific business applications, services, and advancements compliant with e-government initiatives. This program provides geographic information systems (GIS) services for partner jurisdictions and community members.

Business Solutions responsibilities include providing Citywide application development, implementation, and to support engineering new technology solutions to meet bureau business needs. The program provides oversight for outsourced application development and selection of all third-party applications and services.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

Business Solutions has focused on re-platforming the City's website, known as the Portland Oregon Website Replacement (POWR) project to better meet the needs of its customers and the community.

BTS's base budget was developed with the goal of achieving cuts by identifying efficiencies with minimal service impacts in FY 2019-20.

There were no significant organizational changes to Business Solutions in FY 2018-19.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	0	0	80,000	240,500
External Materials and Services	1,070,132	1,158,490	2,254,280	1,386,097
Internal Materials and Services	-767,156	-825,272	386,687	310,027
Personnel	6,775,373	7,393,970	8,388,200	7,666,561
<b>Sum:</b>	<b>7,078,348</b>	<b>7,727,188</b>	<b>11,109,167</b>	<b>9,603,185</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	58.9	52.9	49.9	47.9
<b>Sum:</b>	<b>58.9</b>	<b>52.9</b>	<b>49.9</b>	<b>47.9</b>

**Resources:** Resources for the Business Solutions program come from interagency billings to bureaus for maintaining Cayenta, E-Government, GIS, and TRACS corporate service applications. As the City is reliant on these applications, resources are considered to be reliable and sustainable. The current/proposed structure will have no impact on different populations' abilities to access services.

**Expenses:** This program's expenses are primarily in personnel services since it involves work on developing, maintaining, and supporting Citywide applications. The program also incurs some variable expenses through work on Capital Improvement Projects (CIP) and Operating Projects. There is some discretion in these costs, primarily in the timing of the expenses more so than the actual expense itself.

**Staffing:** Including an upcoming FY 2019-20 staff transfer of three positions to BTS, Business Solutions has 44.0 full time employees including information system specialists and applications analysts.

**Assets and Liabilities:** Assets in the Business Solutions program are not material. Total assets will increase to about \$2,000,000 over the next five years with the completion of two CIP, the City's website replacement, and mobile application management. There is no major maintenance funding through interagency rates to support this program's CIPs and Operating Projects. Projects are funded through technology reserves.

## Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Amy Tuttle

[https://www.portlandoregon.gov/](https://www.portlandoregon.gov/bts/index.cfm?)

**Website:** [bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Contact Phone** 503-823-7930

# BTS - Communications

## Program Description & Goals

The Communications program supports the City's goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions by supporting City and regional mission-critical voice and data communications needs.

Communications is primarily focused on the reliability and availability of critical network and communications systems with comparable availability to public and private industry best practices and standards.

The Key Performance Measure in Communications – reporting the percent of network availability – supports the 2035 Comprehensive Plan which addresses access to universal, affordable, and reliable state-of-the-art communication and technology services. Maintaining a high network availability value assures a reliable system for bureau customers and stakeholders. BTS will continue to exceed the network availability target by investing in a sound, reliable, and secure network infrastructure.

BTS program managers, along with subordinate managers and supervisors, support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage uptime for phone switch	100.00%	100.00%	0	100.00%	0
Percentage Internet availability	100.00%	100.00%	0	100.00%	0
Percentage availability of network excluding scheduled maintenance	100.00%	100.00%	0	100.00%	0

## Explanation of Services

Communications maintains a robust telecommunications system, radio services, video surveillance, and network environment.

The responsibilities of the Communications program include responding to and resolving critical voice, video, and network support issues, supporting and maintaining Public Safety Radio and mobile data computer (MDC) installations, and engineering and maintaining the City's communications systems and networks (including the Integrated Regional Network Enterprise (IRNE) and Institutional Network (I-Net)) serving government agencies throughout Multnomah County. Communications ensures the City's fiber assets are properly maintained and managed.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

To prepare the City for 5G and the need for significant bandwidth required for Smart Cities and all other digital initiatives, BTS must build a new fiber optic network. The current network is not scalable or affordable going forward. This project is scheduled to begin in FY 2019-20. The new Fiber Expansion Program will use 67 route miles of existing pole space for the core buildout. This is an aerial build which will include an additional 45 miles of new routes for redundancy. The buildout includes aerial and underground construction.

BTS is currently working with City and external partners for current builds to help reduce time and cost of construction. BTS is exploring potential partnership opportunities with Multnomah County to help defer costs and the time to build.

The BTS base budget was developed with the goal of achieving cuts by identifying efficiencies with minimal service impacts in FY 2019-20.

There were no significant organizational changes to The BTS Communications program does not anticipate major changes.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	274,323	285,918	635,731	2,942,120
External Materials and Services	11,956,953	9,453,517	11,517,118	11,705,599
Internal Materials and Services	-1,667,339	-2,999,144	308,165	339,932
Personnel	5,771,741	4,860,595	3,894,309	5,324,793
<b>Fund Expense</b>				
Contingency	0	0	0	6,723,521
Fund Transfers - Expense	62,895	0	1,400,000	0
<b>Sum:</b>	<b>16,398,574</b>	<b>11,600,885</b>	<b>17,755,323</b>	<b>27,035,965</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	42.83	37	26	37
<b>Sum:</b>	<b>42.83</b>	<b>37</b>	<b>26</b>	<b>37</b>

**Resources:** Resources supporting the Communications program are primarily through City interagency billings for telecom, radio, video, internet, and data services. In addition, non-City customers provide resources through payments for IRNE and I-Net services. These revenue sources are stable and ongoing as long as users continue to rely on the BTS service provisions. The current program structure will have no impact on different populations' abilities to access services provided by this program.

**Expenses:** The program's primary expenses are in personnel services and external materials and services (M&S). Both categories of services are considered fixed, predictable and necessary as City and non-City personnel rely on these services in their daily operations. A significant portion of the external M&S expenses are related to CIPs and Operating Projects. Budgets for these projects average \$3.5M annually. While the planned work is required and needed to keep systems upgraded and current, there is some flexibility in when the work is scheduled, and the expenses incurred.

**Staffing:** Communications has 25.0 FTE including program managers, information systems technical analysts, technicians, a technical operations supervisor, and an office support specialist.

**Assets and Liabilities:** Communications has more than \$5,000,000 in assets and plans to add to that amount through projects currently underway. The largest portion of those assets are for the IRNE telecom system. The system is in good condition, though changing technology requires constant upgrades to maximize efficiency. BTS receives some major maintenance funding through its rates to support IRNE projects, but this is not sufficient to cover all projected expenses. Additional funding comes from technology reserves.

## Program Information

**Bureau:** Office of Management & Finance  
[https://www.portlandoregon.gov/  
bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Program Contact:** Amy Tuttle

**Website:** [bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Contact Phone** 503-823-7930

# BTS - Enterprise Business Solution

## Program Description & Goals

Enterprise Business Solution (EBS) supports the City goal of delivering efficient, effective, and accountable enterprise technology services, and supports the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions.

EBS's performance is measured by customer service satisfaction ratings from customer feedback forms and the average length of time a HelpDesk ticket is open.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Customer service satisfaction rating number (scale 1 to 5)	4.93	2.70	0	3.00	0
Average number of days a SAP Helpdesk customer ticket is open	11.00	8.70	0	9.00	0

## Explanation of Services

EBS manages the SAP application for the City and has a mission to deliver and support innovative, integrated, and cost-effective enterprise solutions to City customers.

EBS continuously revises its work plan to identify Citywide business needs and appropriate enterprise solutions to meet bureau needs. EBS works with customers to communicate opportunities to consolidate major systems including replacing the City's Learning Management System (LMS) with a robust SAP solution (SuccessFactors) that will also include employee onboarding and performance management modules. Additionally, EBS will be rolling out an Asset Management module and moving to the SAP cloud solution (HANA).

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

BTS base budget was developed with the goal of achieving cuts by identifying efficiencies with minimal service impacts in FY 2019-20.

EBS continued refining and streamlining its organizational processes and efficiencies following the merger of the SAP technical and functional teams into a single program in BTS.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	0	0	40,000	400,000
External Materials and Services	876,574	994,892	3,157,611	3,501,304
Internal Materials and Services	4,718,727	5,211,485	5,390,080	437,029
Personnel	2,465,706	2,594,519	2,583,414	4,084,174
<b>Fund Expense</b>				
Contingency	0	0	3,383,081	2,593,516
Debt Service	3,036,800	0	0	0
Fund Transfers - Expense	178,322	177,290	184,653	0
Ending Fund Balance	0	5,142,852	0	0
<b>Sum:</b>	<b>11,276,129</b>	<b>14,121,037</b>	<b>14,738,839</b>	<b>11,016,023</b>
	<b>2016-17 Actuals</b>	<b>2017-18 Actuals</b>	<b>2019 Revised Budget</b>	<b>2019-20 Request - V52 -No DP</b>
FTE	17	17	16	25
<b>Sum:</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>25</b>

**Resources:** EBS services are supported through interagency revenues received from all City bureaus. Revenues received allow EBS personnel to maintain and expand the SAP system, providing 24x7 access for meeting the needs of all City bureaus.

**Expenses:** Primary expenses for the program are in personnel services, and external and material services (M&S). Maintaining, supporting, and upgrading the system is a highly labor-intensive process requiring skilled professionals within EBS, from outside vendors, and from interagency providers. All expenses are fixed and necessary as long as City personnel continue to desire an SAP system that is available and responsive to their needs.

**Staffing:** EBS has 29.0 full time employees including a program manager, training and development officer, business systems analysts, applications analysts, and information systems analysts.

**Assets and Liabilities:** The SAP system is this program's main asset. Existing interagency rates are sufficient to cover ongoing expenses as well as upgrades and expansion of the system.

## Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Amy Tuttle

[https://www.portlandoregon.gov/](https://www.portlandoregon.gov/bts/index.cfm?)

**Website:** [bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Contact Phone** 503-823-7930

# BTS - Information Security

## Program Description & Goals

Information Security deploys safeguards required to properly protect the City's information assets. Information Security supports the City's goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions.

Program performance is measured by the effectiveness of the Information Security program in protecting the City's technology environment from security threats, including the ability to accept security patches in 97% of all City workstations. The program has a strategic target to achieve 99% in FY 2019-20.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of computers (workstations and servers) able to accept security patching	97%	99%	0	100%	0

## Explanation of Services

Information Security ensures the confidentiality, integrity, and availability of all City data and communications systems and assets.

The responsibilities of this program are to develop and measure compliance with information policies and procedures and to minimize risk through implementation of effective technical, administrative, and physical security controls.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

BTS's base budget was developed with the goal of achieving cuts by identifying efficiencies with minimal service impacts in FY 2019-20.

Information Security has not experienced significant organizational changes.



# BTS - Production Services

## Program Description & Goals

BTS Production Services supports the City goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions by maintaining a premier production technology environment.

Performance measures for the Production Services program focus on the high reliability of the City's mission-critical production systems (SAP, RegJIN, VCAD, email, and Cayenta) with availability comparable to public and private industry best practices and standards.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of mission critical production system availability for Cayenta	100.00%	99.97%	0	100.00%	0
Percentage of mission critical production system availability for SAP	100.00%	99.98%	0	100.00%	0
Percentage of email availability excluding scheduled maintenance	100.00%	99.99%	0	100.00%	0
Percentage of public safety system availability - Bureau of Emergency Communications	100.00%	99.99%	0	100.00%	0
Public Safety systems availability - Police (excluding scheduled maintenance)	100.00%	99.99%	0	100.00%	0

## Explanation of Services

Production Services maintains and supports the City's data center facilities, server, email, storage, and backup infrastructure.

Production Services supports the City's mission-critical technology systems including SAP, Cayenta, Synergen, Maximo, Versaterm Computer-Aided Dispatch (VCAD), Regional Justice Information Network (RegJIN), email, and the Tracking, Review, Application, Construction System (TRACS). Production Services also develops and maintains the BTS business continuity and disaster recovery plan.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

In FY 2018-19, Production Services completed phase II of Portland Building Data Center move by co-locating the Data Center to an out-of-state facility that will further strengthen the City's disaster recovery and resiliency capabilities.

BTS's base budget was developed with the goal of achieving cuts by identifying efficiencies with minimal service impacts in FY 2019-20.

Production Services does not anticipate significant organizational changes.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	1,973,571	-17,307	3,301,222	1,109,540
External Materials and Services	3,647,903	3,293,255	5,102,301	2,524,372
Internal Materials and Services	796,775	755,556	170,054	174,558
Personnel	3,040,337	3,199,941	3,597,770	3,298,969
<b>Sum:</b>	<b>9,458,587</b>	<b>7,231,445</b>	<b>12,171,347</b>	<b>7,107,439</b>

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	20	20	22	20
<b>Sum:</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>20</b>

**Resources:** Resources supporting the Production Services program are primarily interagency revenues. Costs are allocated to rates specific to the technology systems supported by Production Services. Those rates are charged to the customers accessing those systems.

Provided BTS customers continue to rely on and request these systems that Production Services supports, the revenues should be sustainable with no material change in the general upward trend in usage of those systems. Current program structure has no impact on different populations' abilities to access services.

**Expenses:** Primary expenses for the program are incurred in personnel services with most of the additional expenses in external materials and services. Expenses are mostly fixed, predictable, and necessary as long as the City requires the use of systems supported by Production Services. This program incurs material project expenses which can vary. There is some discretion in these costs, primarily in the timing of the expenses more so than the actual expense itself.

**Staffing:** Production Services has 21.0 FTE including information systems managers, analysts, and a supervisor.

**Assets and Liabilities:** Production Services currently has more than \$2,000,000 in assets. This amount will increase once the \$10,000,000 Data Center project is capitalized. Assets are in good condition. A component in BTS rates allows for the collection of major maintenance funds to help cover the ongoing costs of upgrades and replacement of assets. Replacement funds cover a portion of the costs with the balance coming from general technology reserves.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Amy Tuttle

<https://www.portlandoregon.gov/>

**Website:** [bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Contact Phone** 503-823-7930

# BTS - Public Safety Technology

## Program Description & Goals

The BTS Public Safety Technology division supports the City goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions by delivering dependable services and innovative solutions.

Performance results for the division are measured by the high availability of the Field Reporting System for use by police officers while on duty.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of time radio system operated without failure	100.00%	99.96%	0	100.00%	0
Mobile Report Entry (MRE) availability (excluding scheduled maintenance)	100%	100%	0	100%	0

## Explanation of Services

The responsibilities of the division include maintaining critical radio and emergency dispatch systems, developing and maintaining applications, supporting technology infrastructure, and rapid response and resolution to all field and support requests for public safety.

Performance results for the division are measured by the high availability of the Field Reporting System for use by police officers while on duty.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

BTS's base budget was developed with the goal of achieving cuts by identifying efficiencies with minimal service impacts in FY 2019-20.

Public Safety Technology has not experienced significant changes due to external factors and does not anticipate significant organizational changes.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	0	42,712	395,000	0
External Materials and Services	101,902	-87,317	2,035,685	1,674,704
Internal Materials and Services	-332,904	184,840	577,710	559,905
Personnel	1,975,796	3,141,284	5,510,880	4,440,504
<b>Fund Expense</b>				
Contingency	0	0	1,205,676	0
Fund Transfers - Expense	0	291,746	3,150,000	0
<b>Sum:</b>	<b>1,744,795</b>	<b>3,573,265</b>	<b>12,874,951</b>	<b>6,675,113</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	17	26	38	28
<b>Sum:</b>	<b>17</b>	<b>26</b>	<b>38</b>	<b>28</b>

**Resources:** Resources supporting the Public Safety Technology program are varied depending on the service provided. Police and the Bureau of Emergency Communications provide resources to the program through interagency charges in support of their RegJIN and CAD applications respectively. Fire and Police also receive bureau-specific services for which they are charged by BTS. Resources supporting the 800 MHz radio system are received from internal and external customers. Public safety systems are all vital to the safety of both the City and the region, the resources BTS receives should be considered sustainable now and in the future. The current structure will have no impact on different populations' abilities to access services provided by this program.

**Expenses:** The program's expenses are primarily incurred in Personnel Services since much of the work is in providing support for applications and hardware, as well as in maintaining the 800 MHz radio system. The program also incurs expenses in other major object codes, but many of those can be variable as they are related to CIPs and Operating Projects. Personnel Services expenses should be considered fixed, predictable and necessary since they support vital City/regional services. There is some discretion in project costs, primarily in the timing of the expenses more so than the actual expense itself.

**Staffing:** Public Safety Technology has 37.0 full time employees including information systems managers, applications analysts, technical analysts, an information systems supervisor, an administrator, engineers, and electronics technicians.

**Assets and Liabilities:** The Public Safety Technology program has assets of over \$40 million, most of which is in the 800 MHz radio system. The recently updated system is in excellent condition. Projects related to maintaining and upgrading the system are partially funded through major maintenance revenues collected from the 800 MHz access fee rate. Additional funding for projects comes from technology reserves.

### Program Information

**Bureau:** Office of Management & Finance  
[https://www.portlandoregon.gov/  
bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Program Contact:** Amy Tuttle

**Contact Phone** 503-823-7930

# BTS - Project Management Office

## Program Description & Goals

The BTS Project Management Office (PMO) supports the City goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions by delivering technology project management services modeled after industry standards and best practices.

Program performance is measured through direct customer survey feedback at the completion of projects. Customers who agree that the project management service provided rate as "Excellent" generally varies between 75% and 100% as the survey is voluntary. The PMO has a strategic goal of 75% in FY 2021-22.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of customers rating project management service provided as excellent	75%	0	0	100%	0

## Explanation of Services

The PMO delivers effective and consistent Citywide project management practices for all disciplines of technology services provided by each Bureau of Technology Services (BTS) program. Program responsibilities are twofold in that the program provides support to BTS as a whole and also supports BTS work on projects benefiting customers. The existing program structure allows for equal and open access to all City bureaus for the services the program provides.

The responsibility of the PMO is to implement consistent project management methodologies regardless of technology discipline or program, facilitate project oversight, resource alignment across the organization, and facilitate effective technology governance to ensure BTS is delivering the City's highest priority technology initiatives.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

Project Management Office has not experienced significant changes due to external factors. BTS's base budget was developed with the goal of achieving reductions by identifying efficiencies with minimal service impacts in FY 2019-20.

PMO does not anticipate significant organizational changes.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	136,001	185,674	5,151,472	156,972
Internal Materials and Services	-169,519	112,287	88,875	92,360
Personnel	936,162	1,267,892	1,952,011	1,956,865
<b>Sum:</b>	<b>902,644</b>	<b>1,565,853</b>	<b>7,192,358</b>	<b>2,206,197</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	9	12	12	12
<b>Sum:</b>	<b>9</b>	<b>12</b>	<b>12</b>	<b>12</b>

**Resources:** Resources supporting the program are partially received from interagency revenues and partially through billings to customers for project management time.

**Expenses:** Program expenses are incurred in personnel as the function of the program is for project managers to work collaboratively both with other BTS programs as well as customer bureaus. Costs are effectively fixed and required in order to meet the requested needs of customers.

**Staffing:** The PMO has 11.0 FTE including project managers and information systems analysts.

**Assets and Liabilities:** There are no key assets owned or operated by this program.

## Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/bts/index.cfm?>

**Program Contact:** Amy Tuttle

**Contact Phone:** 503-823-7930

# BTS - P&D - Duplicating

## Program Description & Goals

Duplicating provides centralized, high-quality, convenient, leading edge, and cost-effective print, reproduction, and additional copier services to City staff, external customers, and the public.

Duplicating, the most recognizable portion of Printing & Distribution, supports each bureau's unique workflow with products and services configured to maximize efficiency and effectiveness. The division's mission is to be the printer of choice for all City operations. The print shop is responsible for the City's central in-house printing and binding, pre-press services, paper purchases, scanning, and customer service program.

A Key Performance Measure (KPM) for Duplicating is the basic copy center rate as a percent of private sector rates. This comparison is performed once every two years as part of the OMF rate study. Printing & Distribution currently charges \$0.034 per sheet compared with the local average of \$0.07. Through careful management of costs and personnel, Duplicating is expected to maintain rates in the mid 40% of market rates, or lower, for the foreseeable future. This performance measure will be transitioned out to cost per sheet during FY 2020-21.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of Service Requests shipped on time	99%	0	0	99%	100%
Basic Copy Center rate as a percentage of private sector rate	48%	37%	0	40%	48%
Service Requests per FTE	2,702	2,365	0	2,300	2,700

## Explanation of Services

Duplicating exists to meet the print needs of City bureaus, including products designed to communicate with the community members of Portland.

Duplicating is the City's centralized print shop. The program is able to capture economies of scale due to high demand for services, by providing the most frequently requested services in house, and by procuring outside services for less frequent items. Much of the work at Duplicating is completed within one business day. Fast and consistent services allow Duplicating's customers to focus on their core business operations.

Duplicating provides high quality goods and services below market rates and has earned high customer service rankings. The program continuously strives to be the customer's printer of choice with a goal of delivering services as efficiently as possible to enhance the community member interaction with the City.

## Equity Impacts

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

Duplicating's base budget was developed with the goal of achieving the one percent constraint budget by identifying efficiencies with minimal service impacts in FY 2019-20.

As of FY 2018-19, Duplicating services is located within BTS. This reorganization has had limited effect on service operations. Over the years, customer printing needs have changed to include more short-run jobs, increased mailers, and a transition from microfilm to digital scanning. Demand for full color digital printing has also increased.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	210,688	65,537	260,000	210,000
External Materials and Services	1,399,195	1,446,197	1,442,426	1,665,792
Internal Materials and Services	-70,176	121,842	756,369	642,861
Personnel	1,168,176	1,114,819	1,449,809	1,335,312
<b>Fund Expense</b>				
Contingency	0	0	0	2,561,170
Debt Service	0	0	127,619	133,203
Fund Transfers - Expense	0	0	290,800	257,527
<b>Sum:</b>	<b>2,707,883</b>	<b>2,748,395</b>	<b>4,327,023</b>	<b>6,805,865</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	13.57	13.9	13	12.7
<b>Sum:</b>	<b>13.57</b>	<b>13.9</b>	<b>13</b>	<b>12.7</b>

**Resources:** The primary resources that fund the Duplicating are interagency agreements with other City bureaus and intergovernmental agreements with other local agencies. Funding also comes from the public in cooperation with the permitting process in the Bureau of Development Services.

**Expenses:** The primary expenses for this program include personnel costs, materials, and services. Fund-level expenses and administrative costs for Printing & Distribution are included in the Duplicating program.

**Staffing:** Duplicating has 12.7 FTE allocated to the program.

**Assets and Liabilities:** Duplicating is equipped with up-to-date City owned print and bindery equipment. Duplicating invests in new equipment as technology and business needs require.

### Program Information

**Bureau:** Office of Management & Finance  
[https://www.portlandoregon.gov/  
bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Program Contact:** Amy Tuttle

**Contact Phone** 503-823-7930

# BTS - P&D - Copy Services

## Program Description & Goals

The Copier Services program at Printing & Distribution (P&D) provides convenient Multi-Function Devices (MFDs) to be used by City employees for individual office printing and small copy work. Since the recent realignment with BTS, P&D is working closer with bureaus to ensure minimal usage of more expensive color output. P&D is also closely coordinating with the Portland Building Reconstruction project for a print management system.

Citywide policy governing the use of MFD resources is to deliver efficient, effective, and accountable copy services.

A Key Performance Measure (KPM) for Copier Services is the percent of black & white output over total output. This ties in with current year efforts to lower the number of color copies on our MFDs. This workload KPM is new for FY 2019-20.

All BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of black and white impressions of program totals	0	0	0	71%	0

## Explanation of Services

Copier Services was formed to provide a consistent method for City employees to make convenient copies. MFDs have print and scan functionalities and are a cost-effective way for producing copies and prints.

Copier Services strives to balance needs of bureaus with their potential selection of laser printers. Copier Services manages service contracts with vendors to ensure cost effective machine operations and maintenance.

This internal facing program enables bureaus to focus on their primary business rather than each having to manage MFD service vendors.

## Equity Impacts

As an internal service provider, BTS works with internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

Copier Services base budget was developed with the goal of achieving the one percent constraint budget by identifying efficiencies with minimal service impacts in FY 2019-20.

As of FY 2018-19, Copier Services is now part of BTS. This will allow closer partnership with the server teams as well as closer coordination with laser printer placements.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	99,818	566	120,000	385,244
External Materials and Services	305,774	386,558	723,994	447,014
Internal Materials and Services	-48,428	-54,857	-19	40,000
Personnel	98,620	116,249	113,709	125,004
<b>Fund Expense</b>				
Debt Service	0	0	11,144	13,352
Fund Transfers - Expense	0	0	1,359	2,223
<b>Sum:</b>	<b>455,784</b>	<b>448,517</b>	<b>970,187</b>	<b>1,012,837</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	1.1	1.1	0	1.2
<b>Sum:</b>	<b>1.1</b>	<b>1.1</b>	<b>0</b>	<b>1.2</b>

**Resources:** Copier Services is funded by interagency agreements with other City bureaus based on their copier usage. A portion of the copy rate goes towards the replacement of equipment.

**Expenses:** Primary expenses within this program are material and services followed by capital expenditures and personnel services.

**Staffing:** Copiers Services has 1.2 FTE allocated to the program.

**Assets and Liabilities:** Copiers Services owns the MFDs throughout City's bureaus. Ideally, the machines are replaced every five years though actual replacement is heavily influenced by usage.

## Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/bts/index.cfm?>

**Program Contact:** Amy Tuttle

**Website:**

**Contact Phone** 503-823-7930

# BTS - P&D - Distribution

## Program Description & Goals

Distribution is part of the Printing & Distribution Division and provides processing of all the City's US mail, interoffice mail delivery and pick-up, and print delivery to City customers as well as external customers including Multnomah County, Metro, and others.

Distribution is centralized by default. The program processes incoming and outgoing US mail. Distribution monitors all postage usage and garners sizable discounts through commingling City mail.

A Key Performance Measure (KPM) for Distribution is the number of US mail pieces handled per team member. This workload KPM is new for FY 2019-20.

BTS program managers, along with subordinate managers and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Pieces of US mail processed per distribution employee	0	0	0	1,200,000	0

## Explanation of Services

Distribution maintains mail and delivery services on behalf of bureaus and to community members living in Portland. In addition to scheduled deliveries and US mail sorting, Distribution also provides daily service to the Portland Water Bureau laboratory. Distribution allows bureaus to focus on their primary business rather than managing mail and delivery services. Distribution strives to meet the delivery needs of customers.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

As an internal service provider, BTS works with internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

Distribution's base budget was developed with the goal of achieving the one percent constraint budget by identifying efficiencies with minimal service impacts in FY 2019-20.

As of FY 2018-19, Distribution is located within BTS. The reorganization has had limited effect on the program operating structure. The City continues to rely on US mail to communicate with its customers and the community members of Portland.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	0	0	30,000	30,000
External Materials and Services	1,944,066	1,951,765	2,162,734	2,026,987
Internal Materials and Services	60	18,413	64,034	233,024
Personnel	491,680	511,219	456,518	521,809
<b>Fund Expense</b>				
Contingency	0	0	-577	0
Debt Service	0	0	45,848	49,271
Fund Transfers - Expense	0	0	5,593	8,201
<b>Sum:</b>	<b>2,435,806</b>	<b>2,481,397</b>	<b>2,764,150</b>	<b>2,869,292</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	5	5	6	5.1
<b>Sum:</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5.1</b>

**Resources:** Distribution is funded by interagency agreements with other City bureaus.

**Expenses:** Primary expenses for the program include personnel costs, materials, and services related to US mail activity. Postage expenses are a pass-through cost.

**Staffing:** Distribution has 6.1 FTE allocated to this program.

**Assets and Liabilities:** Distribution has limited assets.

## Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/bts/index.cfm?>

**Program Contact:** Amy Tuttle

**Website:**

**Contact Phone** 503-823-7930

# BTS - Support Center

## Program Description & Goals

The BTS Support Center program supports the City goal to deliver efficient, effective, and accountable municipal services, as well as the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions through the efforts to resolve City of Portland employee computing issues.

The Key Performance Measure for the Support Center is the Help Desk satisfaction rating. This measure is in accordance with the OMF Strategic Plan strategy of leading Citywide initiatives. Support Center performance is also measured by the percentage of Help Desk calls answered within 20 seconds and the percentage of problems resolved by Help Desk without escalation to field staff. The Support Center will continue efforts to exceed targets through a combination of training and expanding service management platform capabilities.

BTS program managers, their subordinate managers, and supervisors support the bureau's long-term goals of providing equitable City services to all residents by using an equity lens tool when making significant decisions, such as program planning, budgeting, and staffing decisions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
First Call Resolution: percentage of problems resolved by Help Desk without escalation to field staff	71.00%	69.50%	0	100.00%	0
Percentage of calls answered within 20 seconds	63.00%	80.10%	0	100.00%	0
Help Desk satisfaction rating (scale 1 to 5)	4.90	4.91	0	5.00	0

## Explanation of Services

The Support Center acts as the first point of contact for the majority of customer support needs. The program also implements and manages effective tracking systems and tools.

The responsibilities of the Support Center are to respond and resolve all desktop and laptop issues, mobile computing issues, provide user account and access oversight, and deliver new and replacement desktop computers in a timely manner. The Support Center is responsible for the City's centralized management of the approximately 2,500 mobile smartphones and tablet devices. The Support Center effectively manages City desktop, laptop, and server systems with robust administration and deployment tools. Support Center engineers implement and maintain the systems and tools needed for tracking service requests and computing assets.

As an internal service provider, BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community. Additionally, BTS interacts with the community members through the OMF Advisory Committee.

## Equity Impacts

BTS works with its internal City customers to ensure community focused services have the information technology infrastructure tools in place to serve the community without regard to race, color, national origin, religion, sex, sexual orientation, gender identity, marital status, age, or disability.

## Changes to Program

Support Center has not experienced significant changes due to external factors. BTS's base budget was developed with the goal of achieving reductions by identifying efficiencies with minimal service impacts in FY 2019-20.

The Support Center does not anticipate significant organizational changes.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	1,364,887	1,418,555	3,073,962	2,829,200
Internal Materials and Services	350,718	358,010	340,695	366,453
Personnel	4,963,713	5,159,112	5,311,679	5,899,397
<b>Fund Expense</b>				
Contingency	0	0	0	4,241,529
<b>Sum:</b>	<b>6,679,319</b>	<b>6,935,676</b>	<b>8,726,336</b>	<b>13,336,579</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	40	40	40	42
<b>Sum:</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>42</b>

**Resources:** Support Center resources are primarily interagency rates for PCs and laptops. Those resources are used to cover overhead and other indirect costs, desktop and laptop support, and PC deployment. The resources are metric based (the metrics in this case are PCs, laptops, and tablets), which means that as long as customers continue to use these devices, the resources to BTS will be sustainable. The current/proposed structure will have no impact on different populations' abilities to access services.

**Expenses:** The program's expenses are incurred primarily in Personnel Services since it involves work on maintaining and deploying PCs and laptops and HelpDesk support. The program also incurs some variable expenses through work on CIPs and Operating Projects. There is some discretion in these costs, primarily in the timing of the expenses more so than the actual expense itself.

**Staffing:** The Support Center has 42.0 FTE including information systems technical analysts, information systems manager, and information systems supervisors.

**Assets and Liabilities:** The Support Center program currently has \$1.3 million book value in assets from implementation of some major application Capital Improvement Projects. No major maintenance funding is allocated in BTS rates specific to the Support Center program. Renewal and replacement of applications and related hardware is reliant on costs being covered by technology reserves.

### Program Information

**Bureau:** Office of Management & Finance  
[https://www.portlandoregon.gov/  
bts/index.cfm?](https://www.portlandoregon.gov/bts/index.cfm?)

**Program Contact:** Amy Tuttle

**Contact Phone** 503-823-7930

**Issue Title:** Public Records

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** Bureau of Technology Services

**Issue Overview and Desired Goal/Outcome(s):** The prompt, ethical and meticulous delivery of public records is a key function of government and ensures that jurisdictions operate in a transparent way. Reforming the public records system is a priority for the Mayor.

The desired outcomes of any public records changes are to decrease the amount of time it takes to fill public records requests and to decrease the cost to the requestor. To best achieve this outcome, the Bureau of Technology Services is directed to propose one new FTE Bureau of Technology Services position to be supervised by the City Attorney's Office in the FY 2019-2020 budget. This position will work solely on public records searches, and will be supervised by City Attorney's Office in order to maintain efficient communication with the Senior Deputy City Attorney charged with Public Records. This position must also have clearance to perform BTS searches for PPB records.

**Funding Options:** Funding options include General Fund resources or converting existing positions in BTS.

**Additional Requests/Notes:** None.

**DP: 7688 - Public Records**

**DP Type**

**Priority**

**New**

ADD

1

No

**Package Description**

Depending on the scope of the search, the current method for responding to Public Record Request (PRR) searches requires staff members in the City Attorney's Office and BTS. This work is in addition to other job responsibilities and priorities and adds to the turn-around time and expense of the search.

BTS is submitting a decision package through a Direction to Develop for a Business Analyst II (BSA II) to perform public records searches using technology resources. The BSA II will be housed within the City Attorney's Office, will be supervised via the BTS Customer Relations Division, and will receive direction from the Senior Deputy City Attorney charged with public records.

This position is responsible for all PRR searches of technology resources. The scope includes searches across all City bureaus including Police. Technology related searches include email, text messages, social media, and file systems. This position may also perform searches related to subpoenas received by the City Attorney's Office.

Transition of responsibility for email, text, and social media searches to this position is straight forward with email being the most frequent type of search. Tools for these searches are well established. These will be the first searches this position will perform.

File-related PRR searches are infrequent and require more substantial access to, knowledge of, and experience with the City's infrastructure. Additionally, storage technologies are in transition within the City infrastructure which may allow simplified search capability. Transition of responsibility for file related searches to this position will be secondary, may require acquisition of additional tools, and will be accommodated as knowledge, skills, and tools are ready.

Acquisition and implementation of a file search tool is required. The cost of acquisition, implementation and training are unknown at this time and dependent upon the final file storage technologies selected and implemented.

Vacation and sick leave coverage will be provided by two or more current Attorney's Office staff trained to perform the searches.

This request will require additional resources in the Office of the City Attorney. The required resources to fund this package should then be allocated through the City's General Fund Overhead model. If the decision is made to add a position to BTS rather than the Office of the City Attorney, there will also be an interagency for this service between BTS and the Office of the City Attorney.

The expectation is that overall time and cost to produce and deliver information will be reduced. No specific information regarding the impact on these metrics is available currently.

**Service Impacts**

Impact: The desired outcomes are to decrease the time and cost to fill public records requests.

**Assumptions**

- The BSA II has sufficient KSAs to perform this work. The following are key KSAs for this position.
  - o Maintain confidentiality of sensitive information.
  - o Ability to translate requests into meaningful Boolean logic and craft searches that yield responsive records with minimal "noise" from non-responsive records.
  - o Knowledge and ability to track down where information may be stored.
- Position must pass a Level 2 background check with PPB to have access to and conduct searches containing protected information.
- Required record retention rules are followed to track the search activity.
- This position conducts PRR and subpoena searches only.

Measuring outcomes: Time and costs to deliver are tracked in the GovQA application used to manage all PRRs. Anticipated reductions in time and cost of delivery will be tracked and reported upon from the GovQA application.

**Alternatives**

1. Continue with current method where higher classification BTS staff manages and conducts PRR searches of email and file systems. In this method, BTS charges the requesting bureau for staff time to manage, track, and perform the searches. BTS staff perform this work in addition to other regular duties. This will not further the Mayor's priority of reforming the public records system nor will it yield public records search results more efficiently.
  - a. If funding is not approved, this is the most likely ongoing model to accomplish this work in the short term.

**Regional perspective**

Responding to Public Record Requests is not a new project or program. Handling PRRs is well known to every public agency. While every PRR program has similar elements of intake, search, review and distribution, agencies perform this service based upon the configuration of their infrastructure, organizational capabilities, and available tools.

**Equity Impacts**

**Decision Package Summary**

Details

Reduction of the cost to the public to deliver responsive records reduces economic barriers to public record access.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
706000	External Materials and Servi	10,000	0	0	0	0
706000	Personnel	132,300	0	0	0	0
		<b>142,300</b>	<b>0</b>	<b>0</b>		<b>0</b>

	<b>Major Object Name</b>	<b>Revenue</b>				
706000	Interagency Revenue	142,300	0	0	0	0
		<b>142,300</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**Position Detail**

Job Class - Name	FTE	Salary	Supplemental	Benefit	Total
30003011 - Business Systems Analyst II	1.00	84,354	0	35,890	126,697
<b>Total</b>	<b>1.00</b>	<b>84,354</b>	<b>0</b>	<b>35,890</b>	<b>126,697</b>

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Charges for Services	267,719	308,167	287,232	296,840	296,840	
Intergovernmental	4,852,082	4,335,043	4,830,147	5,004,570	5,004,570	
Miscellaneous	688,409	928,328	611,417	738,881	738,881	
<b>Total External Revenues</b>	<b>5,808,209</b>	<b>5,571,539</b>	<b>5,728,796</b>	<b>6,040,291</b>	<b>6,040,291</b>	
Fund Transfers - Revenue	0	1,344,555	0	0	0	
Interagency Revenue	49,728,647	56,653,596	57,337,379	63,451,065	63,593,365	
<b>Total Internal Revenues</b>	<b>49,728,647</b>	<b>57,998,151</b>	<b>57,337,379</b>	<b>63,451,065</b>	<b>63,593,365</b>	
Beginning Fund Balance	24,452,128	22,962,237	31,257,624	26,076,795	26,076,795	
<b>Total Resources</b>	<b>79,988,984</b>	<b>86,531,927</b>	<b>94,323,799</b>	<b>95,568,151</b>	<b>95,710,451</b>	
<b>Requirements</b>						
Personnel Services	27,808,354	29,515,921	32,256,337	37,080,577	37,212,877	
External Materials and Services	20,344,352	18,363,556	26,470,209	26,768,422	26,778,422	
Internal Materials and Services	3,912,955	3,983,076	3,730,787	4,052,617	4,052,617	
Capital Outlay	2,254,769	374,002	5,499,953	4,692,160	4,692,160	
<b>Total Bureau Expenditures</b>	<b>54,320,431</b>	<b>52,236,555</b>	<b>67,957,286</b>	<b>72,593,776</b>	<b>72,736,076</b>	
Debt Service	542,881	595,254	647,474	686,801	686,801	
Contingency	0	0	18,815,271	19,120,144	19,120,144	
Fund Transfers - Expense	2,163,433	2,442,494	6,903,768	3,167,430	3,167,430	
<b>Total Fund Expenditures</b>	<b>2,706,314</b>	<b>3,037,748</b>	<b>26,366,513</b>	<b>22,974,375</b>	<b>22,974,375</b>	
Ending Fund Balance	22,962,237	31,257,626	0	0	0	
<b>Total Requirements</b>	<b>79,988,982</b>	<b>86,531,929</b>	<b>94,323,799</b>	<b>95,568,151</b>	<b>95,710,451</b>	

## Fund Overview

The Technology Services Fund provides technology support to all City bureaus and some non-City agencies. Fund activities are managed by the Bureau of Technology Services.

The fund's major source of revenue is service reimbursements from City bureaus and outside agencies.

**Managing Agency** Office of Management & Finance, Bureau of Technology Services

## Significant Changes from Prior Year

Enterprise Business Solutions (EBS) is now under the portfolio of the Bureau of Technology Services (BTS). Printing and Distribution's reporting structure, while continuing to exist as a separate fund, will also be under BTS. BTS has completed most of the work on its three-year Data Center Move project, but will continue to work on related follow-up projects to further ensure the safety of the City's data systems. In addition to BTS's numerous Capital Improvement Projects, a new five-year, \$6,250,000 project known as the IRNE Fiber Expansion Program, will upgrade and expand the City's fiber optic network to 5G. 5G (Generation 5) will bring greater speed, lower latency, and the ability to connect more devices simultaneously.

<b>Bureau of Technology Services - Combined EBS &amp; BTS</b>					
<b>Calculation of FY 2019-20 Rate Budget Target</b>					
	<b>FY 2018-19 CSL Rate Budget</b>	<b>FY 2018-19 Decision Packages</b>	<b>FY 2018-19 Adopted Rate Budget</b>	<b>FY 2018-19 Inflation Rates</b>	<b>FY 2018-19 Target Rate Budget</b>
<b>Personal Services</b>					
Personal services (salary and wage-driven benefits)	\$30,485,334	\$23,109	\$30,508,443	4.50%	\$31,881,323
Health benefits	\$3,906,015	\$16,440	\$3,922,455	4.00%	\$4,079,353
<b>M&amp;S-External</b>					
Electricity	\$80,000	\$0	\$80,000	2.20%	\$81,760
Natural Gas	\$0	\$0	\$0	2.20%	\$0
Water/sewer	\$0	\$0	\$0	4.20%	\$0
Other utilities and garbage	\$0	\$0	\$0	2.90%	\$0
Fuel	\$0	\$0	\$0	2.40%	\$0
PTE services	\$767,000	\$0	\$767,000	3.10%	\$790,777
Other services	\$7,477,048	\$122,269	\$7,599,317	3.10%	\$7,834,896
Materials	\$2,674,984	\$0	\$2,674,984	3.10%	\$2,757,909
<b>M&amp;S-Internal</b>					
Fleet Services	\$189,631	\$0	\$189,631	3.79%	\$196,818
Print/Distribution	\$44,556	\$0	\$44,556	3.68%	\$46,196
Facilities Services	\$1,685,329	\$0	\$1,685,329	3.63%	\$1,746,570
BTS	\$4,018,215	\$0	\$4,018,215	3.88%	\$4,174,108
EBS	\$387,222	\$0	\$387,222	3.77%	\$401,812
Workers' Comp	\$207,875	\$0	\$207,875	3.60%	\$215,359
Insurance & Claims	\$338,730	\$0	\$338,730	1.05%	\$342,287
Other inter-fund services	\$1,622,507	\$0	\$1,622,507	3.77%	\$1,683,641
Capital	\$0	\$0	\$0	3.10%	\$0
<b>Sub-total Bureau Program Expenses</b>	<b>\$53,884,446</b>	<b>\$161,818</b>	<b>\$54,046,264</b>		<b>\$56,232,809</b>
Debt Service	\$726,454	\$0	\$726,454	0.00%	\$726,454
Fund balance/contingency	\$0	\$0	\$0	0.00%	\$0
Major maintenance/replacement not included above	\$2,803,067	\$0	\$2,803,067	3.88%	\$2,893,217
<b>Total</b>	<b>\$57,413,967</b>	<b>\$161,818</b>	<b>\$57,575,785</b>		<b>\$59,852,480</b>
<b>Plus/minus systemic cost changes</b>					
PERS Debt Increase					\$74,678
PERS Rate Increase					\$1,059,860
Portland Building Reconstruction - Cash Financing - 2 year adjustment					\$86,470
Data Center Move Project BTS IA					(\$210,687)
SAP LMS subscription license					\$150,645
BTS IA with EBS Double Count					(\$4,174,108)
EBS IA with BTS Double Count					(\$401,812)
Purpose built Data Center					\$66,000
Redundant Data Center (1/2 Year - FY 2019-20 will see second 1/2 of adjustment)					\$35,000
TRACS Database Requirement - POPS Related Add					\$152,918
P&D Administration					\$161,330
PBOT Application Analyst III - Fall BMP Add					\$0
Fixed Fee Application Maintenance					\$1,138,407
IT Metrics					\$371,046
Telecommunications Metrics					\$19,156
Radio & Video Metrics					\$58,381,383
<b>Adjusted Target Rate Budget</b>					

**Rate Transparency Comparison**  
**Bureau of Technology Services**

Rate	FY 2018-19	FY 2019-20	% Change	FY 2019-20 Rate Budget
<b>EBS Operations</b>	\$9,396,164.00	\$9,696,120.00	3.2%	\$9,696,120
<b>Trunked Radio Access Fee (Internal)</b>	\$450.84	\$508.93	12.9%	\$1,829,094
<b>Trunked Radio Access Fee - Cached Rate (Internal)</b>	\$225.42	\$254.47	12.9%	\$38,171
<b>Microwave T-1's</b>	\$27,145.87	\$28,199.13	3.9%	\$84,597
<b>Microwave with Centrex</b>	\$1,568.05	\$1,628.89	3.9%	\$17,918
<b>Microwave Channel</b>	\$1,468.07	\$1,525.03	3.9%	\$39,651
<b>Charger, XTVA</b>	\$324.07	\$344.50	6.3%	\$689
<b>Charger, Vehicular, No Repl.</b>	\$87.13	\$101.98	17.0%	\$7,750
<b>Cached Radio, No Repl.</b>	\$103.75	\$121.44	17.1%	\$1,457
<b>Mobile Radio, Public Service, APX6500, No Repl.</b>	\$179.75	\$210.40	17.1%	\$98,046
<b>Charger, XTVA, No Repl</b>	\$196.07	\$229.50	17.1%	\$1,377
<b>Portable Radio, Public Service, APX7000, No Repl.</b>	\$204.85	\$239.79	17.1%	\$94,717
<b>Control Station, No Repl.</b>	\$202.21	\$236.69	17.1%	\$8,047
<b>Mobile Data Terminal (MW800)</b>	\$2,544.69	\$1,837.50	-27.8%	\$8,459
<b>Charger, Gang 800, No Repl.</b>	\$74.07	\$86.70	17.1%	\$2,514
<b>Portable Radio, Public Service, APX6000, No Repl.</b>	\$165.20	\$193.37	17.1%	\$1,075
<b>Console, Desktop, No Repl.</b>	\$3,113.80	\$3,644.82	17.1%	\$14,579
<b>Base Station, VHF, No Repl.</b>	\$132.15	\$154.69	17.1%	\$619
<b>Portable Radio, VHF, No Repl.</b>	\$132.15	\$154.69	17.1%	\$2,166
<b>Mobile Radio, VHF, No Repl.</b>	\$132.15	\$154.69	17.1%	\$619
<b>Firecomm Interface Box, No Repl.</b>	\$63.90	\$74.80	17.1%	\$75
<b>Siren, Police</b>	\$272.98	\$319.91	17.2%	\$85,096
<b>Console, Desktop</b>	\$4,844.80	\$5,435.82	12.2%	\$119,588
<b>Helmet Communications</b>	\$925.85	\$1,035.69	11.9%	\$25,892
<b>Charger, Vehicular</b>	\$125.13	\$140.98	12.7%	\$59,353
<b>Firecomm Interface Box</b>	\$161.90	\$175.80	8.6%	\$14,767
<b>Control Station</b>	\$474.21	\$517.69	9.2%	\$24,613
<b>Portable Radio, Public Safety, APX6000</b>	\$628.50	\$677.88	7.9%	\$279,287
<b>Portable Radio, Public Safety, APX6000, Encrypted</b>	\$628.50	\$677.88	7.9%	\$879,210
<b>Portable Radio, Public Service, APX7000</b>	\$625.86	\$674.79	7.8%	\$82,324
<b>Mobile Radio, Motorcycle, APX7500</b>	\$635.57	\$689.91	8.5%	\$25,527
<b>Mobile Radio, Public Service, APX6500, Limited</b>	\$483.75	\$525.40	8.6%	\$5,891
<b>Mobile Radio, Public Service, APX6500</b>	\$483.75	\$525.40	8.6%	\$12,610

<b>Portable Repeater</b>	\$992.47	\$1,075.41	8.4%	\$1,075
<b>Mobile Radio, Public Safety, APX6500</b>	\$599.36	\$650.45	8.5%	\$131,391
<b>Mobile Radio, Public Safety, APX6500, Encrypted</b>	\$599.36	\$650.45	8.5%	\$297,906
<b>In-Car Video</b>	\$1,732.32	\$1,861.01	7.4%	\$18,610
<b>Cached Radio</b>	\$524.75	\$556.44	6.0%	\$76,789
<b>Charger, Gang 800</b>	\$184.07	\$189.70	3.1%	\$37,750
<b>Radar Gun, Moving</b>	\$662.36	\$711.31	7.4%	\$29,164
<b>Lidar Gun, Police</b>	\$662.36	\$711.31	7.4%	\$54,060
<b>Mobile Computer (Toughbook)</b>	\$2,032.11	\$1,837.50	-9.6%	\$690,900
<b>Radar Gun, Police</b>	\$518.58	\$543.01	4.7%	\$15,204
<b>Mobile Computer (Fire-Getac)</b>	\$1,807.00	\$1,574.00	-12.9%	\$147,956
<b>Mobile Computer Repl. Only (Getac) w/Radio IP Access</b>	\$1,807.00	\$1,574.00	-12.9%	\$6,296
<b>Portable Radio, Public Service, APX6000</b>	\$493.42	\$539.37	9.3%	\$2,514
<b>Video System, Police</b>	\$181,355.67	\$247,906.35	36.7%	\$247,906
<b>Video System, PBOT</b>	\$14,701.30	\$47,525.07	223.3%	\$47,525
<b>Video System, Transportation Maintenance</b>	\$88,682.58	\$136,419.36	53.8%	\$136,419
<b>Video System, F&amp;P Dis. &amp; Ret.</b>	\$1,875.76	\$7,050.54	275.9%	\$7,051
<b>Video System, BOEC Classroom</b>	\$29,902.79	\$42,763.34	43.0%	\$42,763
<b>Video System, Revenue Bureau</b>	\$15,333.57	\$20,547.34	34.0%	\$20,547
<b>Video System, Water</b>	\$140,849.91	\$210,004.83	49.1%	\$210,005
<b>Video System, Parks Community Centers</b>	\$77,155.45	\$106,102.20	37.5%	\$106,102
<b>Video System, Facilities</b>	\$271,935.33	\$343,722.99	26.4%	\$343,723
<b>Video System, BES</b>	\$24,519.75	\$30,353.82	23.8%	\$30,354
<b>Video System, Fire Studio</b>	\$39,586.00	\$25,054.47	-36.7%	\$25,054
<b>IRNE: Data Allocation Only</b>	\$1,222,317.00	\$1,269,151.00	3.8%	\$1,170,617
<b>ACD Line Feature</b>	\$1,290.25	\$1,339.03	3.8%	\$346,809
<b>Cellular Admin Fee</b>	\$84.64	\$60.00	-29.1%	\$351,960
<b>Callers Menu</b>	\$144.98	\$136.66	-5.7%	\$9,840
<b>Fax Feature - Trunk</b>	\$847.16	\$847.16	0.0%	\$847
<b>Data / Business Line</b>	\$109.95	\$70.57	-35.8%	\$16,019
<b>Fax Feature - DID#</b>	\$2.54	\$2.54	0.0%	\$48
<b>Line - Dial Tone</b>	\$385.95	\$363.78	-5.7%	\$2,304,910
<b>Transfer Box</b>	\$36.25	\$34.37	-5.2%	\$3,300
<b>UCD Line Feature</b>	\$332.59	\$345.13	3.8%	\$17,257
<b>Voice Mail</b>	\$72.49	\$68.33	-5.7%	\$315,138
<b>SMARSH Text Archiving</b>	\$57.90	\$60.14	3.9%	\$79,084
<b>Mobile Management Service</b>	\$134.71	\$139.93	3.9%	\$434,902
<b>Four DS-1 / 1.544 Mbps - 5 year contract</b>	\$5,393.00	\$5,393.00	0.0%	\$5,393
<b>DS-1 / 1.544 Mbps - 5 year contract</b>	\$1,348.00	\$1,348.00	0.0%	\$8,088
<b>10 Mbps Port / 10 Mbps - 5 year contract</b>	\$5,202.00	\$5,202.00	0.0%	\$15,606
<b>100 Mbps Port / 51 Mbps - 5 year contract</b>	\$9,041.00	\$9,041.00	0.0%	\$9,041
<b>Freewire 5 MG connection</b>	\$4,037.00	\$4,037.00	0.0%	\$20,185
<b>10Mb/s Port</b>	\$5,202.00	\$5,202.00	0.0%	\$5,202

100Mb/s Port 51K U.L.	\$9,041.00	\$9,041.00	0.0%	\$27,123
10GB ring 100/Mbs	\$6,363.00	\$6,363.00	0.0%	\$44,541
10GB ring 400/Mbs	\$8,680.00	\$8,680.00	0.0%	\$17,360
10GB ring 1000/Mbs	\$14,907.00	\$14,907.00	0.0%	\$59,628
10GB ring 6000/Mbs	\$38,672.00	\$38,672.00	0.0%	\$77,344
Dark Fiber Rate - UofO (per fiber mile)	\$7,939.00	\$8,062.31	1.6%	\$51,599
PSUDARKFIBER	\$24,000.00	\$24,000.00	0.0%	\$24,000
Pittock bulkhead termination (per patch-2 fibers)	\$360.00	\$360.00	0.0%	\$1,440
Pittock bulkhead termination (per patch-2 fibers)	\$400.08	\$400.08	0.0%	\$1,200
INETPBTCopper	\$360.00	\$360.00	0.0%	\$1,080
400 Mmps ZX / 400 Mps (Extended distance)	\$8,680.33	\$8,940.74	3.0%	\$8,941
400 Mbps LX / 400 Mbs (Limited distance)	\$8,680.33	\$8,940.74	3.0%	\$2,279,889
2000 Mbps	\$19,997.77	\$20,597.70	3.0%	\$20,598
1000 Mbps LX / 500 Mbs (Limited distance)	\$14,907.00	\$15,354.00	3.0%	\$522,036
INET60	\$34,392.00	\$35,424.00	3.0%	\$70,848
Secondary 100 Mbps circuit, existing edge device	\$4,732.00	\$4,874.00	3.0%	\$175,464
Pager Admin Fee	\$59.58	\$46.09	-22.6%	\$45,935
PageMaster	\$12.00	\$12.00	0.0%	\$13,884
Email Business Account	\$44.78	\$44.85	0.2%	\$68,262
Expanded Mailbox (E-mail)	\$200.00	\$200.00	0.0%	\$600
Email Regular Account	\$134.40	\$134.57	0.1%	\$196,876
Email Office-365 Account	\$44.78	\$44.85	0.2%	\$219,182
Internet Access	\$79.46	\$56.80	-28.5%	\$396,398
Data Networks	\$281.95	\$260.36	-7.7%	\$1,816,950
Personal Computer	\$967.99	\$950.46	-1.8%	\$4,097,433
Laptop	\$967.99	\$950.46	-1.8%	\$2,046,340
Tablet	\$967.99	\$950.46	-1.8%	\$46,573
Out of Compliance Workstation	\$900.00	\$900.00	0.0%	\$0
Replacement Desktop	\$172.31	\$178.23	3.4%	\$768,344
Replacement Laptop	\$298.26	\$303.80	1.9%	\$654,080
Server Standard	\$7,341.25	\$7,383.80	0.6%	\$2,480,145
Replacement Server Small	\$92.94	\$88.40	-4.9%	\$5,392
Replacement Server Medium	\$211.90	\$201.55	-4.9%	\$15,721
Replacement Server Large	\$375.48	\$357.14	-4.9%	\$34,643
Storage Area Network - Tier 1	\$302.68	\$343.85	13.6%	\$17,536
Storage Area Network - Tier 2	\$211.88	\$240.70	13.6%	\$355,995
Storage Area Network - Tier 3	\$121.07	\$137.54	13.6%	\$197,507
Storage Area Network - Tier 4	\$54.48	\$61.89	13.6%	\$202,133
BTS Hosted Microsoft SQL Database	\$920.00	\$956.02	3.9%	\$54,493
BTS Hosted Non-Production SQL Database	\$459.00	\$477.00	3.9%	\$10,971
Applications Maintenance	\$19,700.00	\$20,400.00	3.6%	\$20,400
CAD Application	\$1,234,237.00	\$1,272,070.00	3.1%	\$1,272,070
CAD Infrastructure	\$511,503.00	\$586,562.00	14.7%	\$586,562

<b>CIS Application</b>	\$706,507.00	\$787,454.00	11.5%	\$787,454
<b>CIS Infrastructure</b>	\$452,060.00	\$495,019.00	9.5%	\$495,019
<b>E-Government</b>	\$1,810,396.00	\$2,189,709.00	21.0%	\$2,189,709
<b>GIS</b>	\$3,048,304.00	\$3,206,265.00	5.2%	\$3,206,265
<b>Information Security</b>	\$2,809,354.00	\$2,944,442.00	4.8%	\$2,944,442
<b>IRNE Data</b>	\$1,220,617.00	\$1,269,151.00	4.0%	\$1,269,151
<b>Strategic Planning</b>	\$403,501.00	\$455,504.00	12.9%	\$455,504
<b>Police Enhanced Services Rate</b>	\$620,128.00	\$734,800.00	18.5%	\$734,800
<b>RegJIN Application</b>	\$780,164.00	\$502,467.00	-35.6%	\$502,467
<b>RegJIN Infrastructure</b>	\$436,884.00	\$539,715.00	23.5%	\$539,715
<b>Synergen Infrastructure</b>	\$497,651.00	\$515,290.00	3.5%	\$515,290
<b>TRACS Application</b>	\$957,379.00	\$1,075,307.00	12.3%	\$1,075,307
<b>TRACS Infrastructure</b>	\$254,508.00	\$339,397.00	33.4%	\$339,397
<b>IRS Data Exchange (FTI) Infrastructure</b>	\$175,373.00	\$190,963.00	8.9%	\$190,963
<b>Business Solutions Labor Rate</b>	\$98.00	\$101.75	3.8%	\$128,000
<b>Network Engineering Labor Rate</b>	\$98.00	\$101.75	3.8%	\$53,300
<b>Production Services Labor Rate</b>	\$98.00	\$101.75	3.8%	\$181,300
<b>Project Office Labor Rate</b>	\$98.00	\$101.75	3.8%	\$1,059,900
<b>Support Center Labor Rate</b>	\$98.00	\$101.75	3.8%	\$78,909
<b>Telecommunications Labor Rate</b>	\$98.00	\$101.75	3.8%	\$110,516
<b>Radio Shop Labor Rate</b>	\$104.50	\$108.50	3.8%	\$379,750
<b>Bureau-Assigned Analyst III</b>	\$91.25	\$96.75	6.0%	\$1,534,459
<b>Bureau-Assigned Analyst IV</b>	\$102.75	\$105.00	2.2%	\$1,240,470
<b>Bureau-Assigned Principal/Supervisor</b>	\$103.50	\$114.50	10.6%	\$612,117
<b>Bureau-Assigned Manager</b>	\$113.00	\$131.75	16.6%	\$234,779
<b>General Fund Overhead Surcharge</b>	4.0%	3.5%	-12.5%	\$2,125,275

### **Narrative on variances**

Overview and Approach - The Bureau of Technology (BTS) services has over 140 unique rates. Each year as part of the City's budget process, the rates are adjusted with the goal of aligning them with the cost of service. Overall the BTS rate budget came in at target.

BTS PERS appropriation increased by over \$1.1 million from FY 2018-19 to FY 2019-20, this had a material impact on most rates.

General Ledger account 651501 – The *Trunked Radio Access Fee* rate increase is driven by the sustainment costs associated with moving from an analog system to a state of the art digital system.

General Ledger account 651502 – Rate & Video equipment rate increase were driven by a material increase in appropriation for subcontractors, training and hardware. Rates were also

impacted by the allocation of an additional FTE to these activities. The video rates that include a replacement component are impacted when the overall value of the systems increase.

General Ledger account 651504 – The BTS *Telecom Service* rates decreases are primarily a result of a material growth in service demands that are being met with existing staffing levels. BTS did see material costs increases from vendors such as Comcast and CenturyLink, these were offset by BTS efficiency gains.

General Ledger account 651512 – The *Corporate Services - Information Security* rate increase is a result of an expansion of security capabilities. *Information Security* also had an increase in external vendor costs driven by the addition of several new services; the expansion or updating of several established services; and vendor migration to subscription models has raised the recurring costs of services. The *E-Government* rate increase was primarily a result of new external costs associated with cloud based hosting services.

General Ledger account 651513 – The *Storage Area Network Base Rate* increase is driven by increases in external vendor costs and the costs associated with having a secondary data center in Colorado.

General Ledger account 651514 – Corporate Infrastructure – Rate increases are driven by the costs associated with having a secondary data center in Colorado. *CADNext* and *RegJIN* infrastructure also had a large increase in Informix database vendor expense.

General Ledger account 651514 – Corporate Applications – The *Corporate GIS*, *TRACS Application*, *CIS Application*, *SAP Application* have rate increases driven by an increase in external vendor costs for application maintenance and support.

General Ledger account 651530 – BTS Operations Billable – The *Police Enhanced Services* rate increase is driven by the addition on a FTE to this activity.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Charges for Services	298,615	187,274	227,196	318,122	318,122	
Intergovernmental	759,772	715,171	1,059,338	1,003,131	1,003,131	
Bond & Note	0	0	0	211,702	211,702	
Miscellaneous	56,988	72,336	284,593	49,096	49,096	
<b>Total External Revenues</b>	<b>1,115,375</b>	<b>974,781</b>	<b>1,571,127</b>	<b>1,582,051</b>	<b>1,582,051</b>	
Interagency Revenue	5,967,599	6,389,452	6,788,805	7,035,113	7,035,113	
<b>Total Internal Revenues</b>	<b>5,967,599</b>	<b>6,389,452</b>	<b>6,788,805</b>	<b>7,035,113</b>	<b>7,035,113</b>	
Beginning Fund Balance	1,064,188	1,333,705	1,788,567	2,070,830	2,070,830	
<b>Total Resources</b>	<b>8,147,162</b>	<b>8,697,938</b>	<b>10,148,499</b>	<b>10,687,994</b>	<b>10,687,994</b>	
<b>Requirements</b>						
Personnel Services	1,758,476	1,742,287	2,020,036	1,982,125	1,982,125	
External Materials and Services	3,649,053	3,784,520	4,329,154	4,139,793	4,139,793	
Internal Materials and Services	664,823	866,810	836,116	915,885	915,885	
Capital Outlay	310,966	66,386	410,000	625,244	625,244	
<b>Total Bureau Expenditures</b>	<b>6,383,318</b>	<b>6,460,004</b>	<b>7,595,306</b>	<b>7,663,047</b>	<b>7,663,047</b>	
Debt Service	154,790	169,723	184,611	195,826	195,826	
Contingency	0	0	2,070,830	2,561,170	2,561,170	
Fund Transfers - Expense	275,351	279,644	297,752	267,951	267,951	
<b>Total Fund Expenditures</b>	<b>430,141</b>	<b>449,367</b>	<b>2,553,193</b>	<b>3,024,947</b>	<b>3,024,947</b>	
Ending Fund Balance	1,333,705	1,788,568	0	0	0	
<b>Total Requirements</b>	<b>8,147,164</b>	<b>8,697,939</b>	<b>10,148,499</b>	<b>10,687,994</b>	<b>10,687,994</b>	

## Fund Overview

The Printing & Distribution Services Operating Fund is an internal service fund established to account for Printing & Distribution Division revenues and expenditures. The division provides support services to all City bureaus, Multnomah County, Portland-area State of Oregon departments, and other local governmental agencies. Services include: traditional printing and binding; digital printing and pre-press services; variable data printing; reprographics; the purchase and maintenance of copy machines; citywide paper procurement and management; United States Postal Service mail processing; and inserting, addressing, and delivering mail and supplies.

The main source of revenue is reimbursement from other City bureaus and outside agencies for services provided.

### Managing Agency

Office of Management & Finance, Bureau of Technology Services

Printing & Distribution Fund 703  
 Calculation of FY 2019-20 rate budget target

	FY 2018-19 Adopted Rate Budget	FY 2019-20 Inflation Rates	FY 2019-20 Target Rate Budget
<b>Personal Services</b>			
Personal services (salary and wage-driven benefits)	\$2,121,588	4.50%	\$2,217,059
Health benefits	\$475,618	4.00%	\$494,643
<b>M&amp;S-External</b>			
Electricity	\$0	2.20%	\$0
Natural Gas	\$0	2.20%	\$0
Water/sewer	\$0	4.20%	\$0
Other utilities and garbage	\$0	2.90%	\$0
Fuel	\$0	2.40%	\$0
PTE services	\$0	3.10%	\$0
Other services	\$0	3.10%	\$0
Materials	\$44,665	3.10%	\$46,050
<b>M&amp;S-Internal</b>			
Fleet Services	\$64,077	3.80%	\$66,512
Print/Distribution	\$0	3.70%	\$0
Facilities Services	\$292,174	3.60%	\$302,692
EBS Services	\$80,992	3.80%	\$84,070
BTS	\$64,051	3.90%	\$66,549
Workers' Comp	\$20,813	3.60%	\$21,562
Insurance & Claims	\$26,129	1.10%	\$26,416
Other inter-fund services (OMF-PBOT-Parks)	\$155,654	3.80%	\$161,569
Capital	\$0	0.00%	\$0
<b>Sub-total Bureau Program Expenses</b>	<b>\$3,345,761</b>		<b>\$3,487,122</b>
Debt Service	\$207,132	0.00%	\$207,132
Fund balance/contingency	\$0	0.00%	\$0
Major maintenance/replacement not included above	\$0	0.00%	\$0
<b>Total</b>	<b>\$3,552,893</b>		<b>\$3,694,254</b>
<b>Plus/minus systemic cost increases</b>			
PERS Debt debt service change			\$21,292
Data Center Move			(\$15,127)
1900 Building Debt			\$0
Centralized package destination (1/2 time FTE)			\$0
EBS Debt Service Decrease			\$0
DCTU tentative agreement impact (tools/clothing)			\$4,500
Year 1 of ongoing print management system			\$0
PERS and OSSRP % Change			\$51,352
<b>Adjusted Target Rate Budget</b>			<b>\$3,756,271</b>
Initial FY 2019-20 target rate budget			\$3,756,271
Less debt service budget			(\$207,132)
FY 2019-20 target rate budget less debt service			\$3,549,139
Less outside agency revenue at 15% of budget			(\$532,371)
Base for calculating 99% CSL budget			\$3,016,768
99% CSL budget			\$2,986,600
Add back outside agency supported budget			\$532,371
Add back debt service			\$207,132
Total FY 2019-20 target rate budget			\$3,726,103
(99% CSL budget plus debt service)			\$3,726,103
<b>Adjusted Target Rate Budget</b>			<b>\$3,726,103</b>
<b>Overall % change from Adopted Budget</b>			<b>4.9%</b>

## Rate Transparency Comparison

### BTS Printing & Distribution

Rate	FY 2018-19	FY 2019-20	% Change	FY 2019-20 rate budget
Duplication Hourly Rate	\$ 67.66	\$ 70.12	3.6%	\$ 3,307,000
Customer Service/Pre Press Hourly Rate	\$ 95.84	\$ 98.89	3.2%	\$ 607,238
Mail Sorting/Delivery Rate	\$ 97.17	\$ 97.94	.79%	\$ 744,366
Metering/Processing Hourly Rate	\$ 79.47	\$ 82.26	3.5%	\$ 272,834
Special Delivery Hourly Rate	\$ 81.76	\$ 82.06	.37%	\$ 17,233

### Narrative on variances

Variances do not require narratives.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Miscellaneous	54,286	64,549	20,000	0	0	
<b>Total External Revenues</b>	<b>54,286</b>	<b>64,549</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interagency Revenue	11,771,472	10,087,676	9,575,986	0	0	
<b>Total Internal Revenues</b>	<b>11,771,472</b>	<b>10,087,676</b>	<b>9,575,986</b>	<b>0</b>	<b>0</b>	<b>0</b>
Beginning Fund Balance	3,419,185	3,968,813	5,142,853	0	0	
<b>Total Resources</b>	<b>15,244,943</b>	<b>14,121,038</b>	<b>14,738,839</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Requirements</b>						
Personnel Services	2,465,706	2,594,519	2,583,414	0	0	
External Materials and Services	876,574	994,892	3,157,611	0	0	
Internal Materials and Services	4,718,727	5,211,485	5,390,080	0	0	
Capital Outlay	0	0	40,000	0	0	
<b>Total Bureau Expenditures</b>	<b>8,061,007</b>	<b>8,800,895</b>	<b>11,171,105</b>	<b>0</b>	<b>0</b>	<b>0</b>
Debt Service	3,036,800	0	0	0	0	
Contingency	0	0	3,383,081	0	0	
Fund Transfers - Expense	178,322	177,290	184,653	0	0	
<b>Total Fund Expenditures</b>	<b>3,215,122</b>	<b>177,290</b>	<b>3,567,734</b>	<b>0</b>	<b>0</b>	<b>0</b>
Ending Fund Balance	3,968,813	5,142,852	0	0	0	
<b>Total Requirements</b>	<b>15,244,942</b>	<b>14,121,037</b>	<b>14,738,839</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Fund Overview

The Enterprise Business Solutions (EBS) Services Fund, while still a fund, will not have any budgeted resources or requirements beginning in FY 2019-20. The responsibilities of the fund are to support the implementation, maintenance, and continuous improvement of the City's SAP integrated resource planning system. Responsibilities of this fund now fall under the portfolio of the Technology Services Fund.

**Managing Agency** Office of Management & Finance, Bureau of Technology Services

## Significant Changes from Prior Year

EBS is now a part of the Bureau of Technology Services.



# OFFICE OF THE CAO

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# Office of the Chief Administrative Officer

## Overview

The Office of Management & Finance (OMF) provides internal services to support the operational needs of City bureaus, as well as coordination and leadership on overall administrative services. The Chief Administrative Officer (CAO) reports directly to City Council and advises bureau managers on strategic issues, as well as ensures the delivery of accurate, cost effective, and responsive Citywide administrative services.

The Office of the Chief Administrative Officer is overseen by the Deputy Chief Administrative Officer (DCAO) and is composed of several divisions including the Business Operations Division, Strategic Projects and Opportunities Team (SPOT), the Homelessness and Urban Camping Impact Reduction Program (HUCIRP), and the Division of Asset Management, which oversees CityFleet and Facilities Services operations. Program offers within each division are as follows:

- ◆ **Business Operations:** Business Operations
- ◆ **CityFleet:** New & Replacement Acquisitions, Vehicle Maintenance and Repair, and Vehicle Pool
- ◆ **Division of Asset Management:** Division of Asset Management
- ◆ **Facilities Services:** Facilities Administration, Facilities Capital Projects, Facilities Maintenance & Operations, and Facilities Property Management & Real Estate Services
- ◆ **Homelessness and Urban Camping Impact Reduction Program:** Homelessness and Urban Camping Impact Reduction Program
- ◆ **Office of the Chief Administrative Officer:** Office of the Chief Administrative Officer
- ◆ **Strategic Projects and Opportunities Team:** Project Management for Citywide Initiatives, Spectator Venues & Visitor Activities Program

The Office of the CAO provides leadership, oversight, and support for a variety of Citywide projects, and provides direction to managers who perform an array of financial management, policy development, and project management services for Council and City bureaus. The CAO leads the development of the bureau's strategic plan and ongoing reporting on the completion of strategies. The CAO oversees the bureaus of Human Resources, Revenue and Financial Services, and Technology Services. Additionally, the CAO oversees the Portland Building Reconstruction project, which includes several work groups and committees. The Portland Building Reconstruction project continues to be on budget and on schedule. In FY 2015-16, Council approved three resolutions to begin a Portland Building Reconstruction project for an amount not to exceed \$195 million and to be completed no later than 2020. The project was established to fix building problems and inefficiencies and ensure viable office space for years to come. In FY 2017-18, the project successfully moved all Portland Building tenants to temporary office spaces, finished the design phase, and received Council approval for the negotiated guaranteed maximum price for the project. In FY 2018-19 the project focused on finalizing design for the building's interior spaces and construction. In FY 2019-20, the project will focus on change management initiatives as tenants are scheduled to move back to the building in November 2019.

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OMF, and the City as whole, now benefits from the augmented capacity of a Strategic Projects and Opportunities Team (SPOT). SPOT consolidates three work units that have Citywide policies, programs, and interests at their core. The Project Management for Citywide Initiatives (PMCI) is a core group of employees working with City bureaus, elected officials, and outside stakeholders on projects, programs, and policies that require multi-disciplinary project management, are of Citywide or enterprise significance, and seek to improve City services, processes, policies, and programs. In FY 2018-19, PMCI was involved with major City initiatives including Build Portland, 311/Customer Service, Development Directors/Permitting, and the Floodplain Management/BiOp Response Program. The Spectator Venues Program has complex responsibilities for all aspects of development and oversight of specialized City physical assets, financial management of a segregated enterprise fund, and coordinates efforts related to transient lodging tax programs impacting City revenues. The City Arts Program oversees the City's arts and culture related contracts and agreements and ensures program accountability and transparency.

## **CIP Highlights**

Facilities Services and the Strategic Projects and Opportunities Team, which oversees the Spectator Venues Program, are the sole divisions with capital programs in the Office of the Chief Administrative Officer.

### **Facilities Services**

The Facilities Services CIP for FY 2019-20 includes several new and ongoing projects including the Portland Building Reconstruction project (\$195 million), the new 4th & Montgomery Building (\$20.58 million), the Space Optimization project (\$18.86 million), PCC HVAC Centralization (\$957,500), elevator modernizations at the Justice Center and East Precinct (\$3 million), and a new City Hall A/V system (\$468,000).

### **Spectator Venues Program**

The most significant project underway within the program is the \$55-\$75 million, privately funded stadium expansion that will add 4,000-seats to the east side of Providence Park Stadium. The expansion is anticipated to open in June 2019. The City's costs for the expansion are generally limited to providing design and construction oversight which are expected to be less than \$100,000 in FY 2019-20. The City's repair and maintenance costs at the stadium are anticipated to cost less than \$500,000 in FY 2019-20. The City may contribute approximately \$150,000 to a project that will add a new exit stair to the SW corner of the stadium.

Projects at the Veterans Memorial Coliseum, Rose Quarter Plaza, and Garages are limited to typical repair and replacement activities and are anticipated to cost less than \$1 million in FY 2019-20.

## **Major Issues**

### **Facilities Services**

Major Maintenance Funding: Facilities Services administers major maintenance funds for all of the buildings it manages. Funds are collected as part of rental rates assessed to bureaus on a square footage basis. This funding forms the basis for the Facilities Services CIP request each year. Overall annual major maintenance funding is currently \$6 million, which is approximately 1% of replacement value compared with industry best practice of 3%, or approximately \$18 million annually. Facilities Services recently completed a building condition assessment and is developing an asset management program and associated long-range major maintenance plans to support a request for a multi-year phase-in of additional major maintenance funds.

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## **Spectator Venues Program**

The capital issues facing the Spectator Venues and Visitor Activities Fund (SVVAF) are primarily driven by the age and condition of the venues within the program's portfolio. The facilities serve an important role in the community life of Portland and the region by providing opportunities for sports and performing arts events, meetings, and a variety of civic events. Historically, development of these venues has been through public/private funding partnerships and all are operated by third-party entities. Most of these venues are housed in aging facilities that have seen varying degrees of major maintenance and capital reinvestment over the years.

The most challenging venue for the SVVAF program is the Veterans Memorial Coliseum (VMC), a spectator, event, and meeting facility that is almost 60 years old. The facility suffers from significant deferred major maintenance and has not seen a comprehensive capital reinvestment since its original construction. The SVVAF does not have sufficient resources to fund the needed capital repairs and improvements. While the SVVAF invested approximately \$10 million in key deferred maintenance projects (including a full roof replacement) and strategic user experience enhancements over the past five years, a long list of critical needs remain to be addressed. Several efforts have been undertaken over the last 20 years to comprehensively address the capital needs at the VMC, none of which have been successful. Until such a major renovation occurs or a decision is made to close the building, repair needs are addressed based primarily on urgency and public safety. No major projects are planned for FY 2019-20 at the VMC.

Providence Park, which was built in 1926, has already seen two major capital reinvestment projects in the last 17 years, the first in FY 2000-01 and the second in FY 2011-12, and is now undergoing a third as the east side expansion adds 4,000-seats to the stadium. Half of the older part of the stadium's roof, which was not replaced during the FY 2011-12 renovation project, was replaced in FY 2017-18 at a cost of approximately \$730,000. In FY 2019-20, the City intends to perform work to repair and protect various elements of the structural wooden roof structure on the old side of the stadium.

The Rose Quarter Parking Facilities were opened in 1995. A Facilities Condition Assessment was completed in 2015 and was used to develop a detailed major maintenance and capital replacement plan for these facilities. Considerable deferred maintenance needs were addressed in FY 2016-17 with the implementation of an ADA barrier removal program. The City repaired several deteriorated concrete columns in the garages at a cost of approximately \$42,000. No additional major capital investments are anticipated in the garages in the next few years. In addition to the Parking Facilities, the Spectator Program is also responsible for capital repair and improvement to the Rose Quarter Plaza. No specific work is anticipated for the Plaza in the next five years.

In FY 2015-16, the Portland's Centers for the Arts venues were added to the SVVAF program portfolio. The Portland's venues consist of three buildings: Keller Auditorium, Schnitzer Concert Hall, and Antoinette Hatfield Hall. Working with the venue operator, the SVVAF staff undertook a Facility Condition Assessment for each building in FY 2015-16 and plans to develop a detailed major maintenance and capital replacement plan for these facilities. In FY 2018-19, the program engaged in a structural/seismic analysis of the Keller Auditorium that identified a number of options for a building renovation/retrofit. In FY

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2019-20, conversations are anticipated to continue about the preferred course of action for the future of the Keller Auditorium. In FY 2018-19, the SVVAF contributed \$500,000 for an acoustical shell replacement at the Arlene Schnitzer Concert Hall. At this time the City has made no other specific commitment to participate in funding of capital needs at these facilities.

**Changes from Prior Year**

**Facilities Services**

There are no significant changes from the prior year.

**Spectator Venues Program**

The \$55-\$75 million stadium expansion project is expected to be substantially completed in FY 2018-19, and the City's costs associated with providing design and construction oversight will decrease. At the VMC, a major asbestos removal project was completed at an approximate cost of \$500,000. Projects in the FY 2019-20 work plan are generally more typical repairs and smaller scale major maintenance work.

**Council Goals and Priorities**

**Facilities Services**

Buildings that are appropriately sited, well-designed, and maintained contribute to Portland's livability. Projects within this CIP are consistent with the City's commitment to effective planning and well-managed growth. Infrastructure maintenance is vital to the City's long-term fiscal health, resiliency, and ability to deliver services. The bureau invests in capital improvements in a manner consistent with the City's sustainability and equity goals, while ensuring that those investments are timed correctly and possess sufficient magnitude to meet the City's sustainability and equity targets.

**Spectator Venues Program**

The SVVAF CIP supports City goals of ensuring a safe and peaceful community and delivering efficient, effective, and accountable municipal services.

**Criteria**

**Facilities Services**

Facilities Services updates five-year major maintenance plans for each building owned or managed by OMF on an annual basis as part of the budget process.

**Spectator Venues Program**

The Spectator Venues and Visitor Activities program does not apply a specific methodology to the selection and ranking of capital projects. Decision-making is primarily driven by the age and condition of the venues and the City's obligations as defined in the various operating agreements. Projects are generally undertaken based on the criticality of the need and availability of resources in the program fund.

**CAPITAL PLANNING AND BUDGETING**

**Capital Planning Process**

**Facilities Services**

The capital planning process is closely tied to OMF's overall asset management program. The asset management program drives capital projects proposed in the CIP, the major maintenance projects in the budget, and are detailed in OMF's Five-Year plan. OMF works closely with its customers to understand their businesses and how their assets support and serve their work objectives. Projects in the CIP and major maintenance plans were developed with input from internal and external customers, staff that maintain the infrastructure, and City Council's established goals, objectives, and policies.

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### **Spectator Venues Program**

The Spectator Venues and Visitor Activities program does not apply a specific process to prepare its CIP. Decision-making about what projects to undertake is done in consultation with the third-party operators and is based on the City's contractual obligations and the availability of funding, which is driven by the financial management parameters of the Spectator Venues and Visitor Activities Fund.

### **City Comprehensive Plan**

#### **Facilities Services**

The FY 2019-20 CIP evolves from and supports the City's overall land use and facility plans. There are three program areas that are particularly relevant to comprehensive community planning.

- ◆ **Police:** The siting and organization of public safety response facilities are based largely on the City's physical size, growth, density, and demographic patterns.
- ◆ **Fire & Rescue:** The siting and adaptation of Fire & Rescue stations are highly dependent on neighborhood boundaries and neighborhood preferences. The foundation of the fire management area is the City's comprehensive land use plan and the regularly produced response time study.
- ◆ **Downtown Core:** The Portland Building, City Hall, Justice Center, and the 1900 Building were all sited based on identified preferences in the downtown plan, particularly for the three located in the designated government center within downtown.

The 1900 and 4th & Montgomery Buildings were sited as part of the University Center Plan, supporting the south end of downtown and sharing the area with Portland State University. In addition, the City-owned spectator and performance facilities support downtown and Lloyd District as the major cultural center for the region.

### **Spectator Venues Program**

The Spectator Venues and Visitor Activities Program does not apply specific criteria related to bureau and City plans in selecting capital projects. The primary factors involved in identifying capital projects are meeting contractual obligations and long-term preservation of its valuable facilities. However, it may be broadly stated that because the facilities within the program contribute positively to the economic, civic, and cultural life of the City and are all located within the Central City and convenient to regional transportation options, their ongoing maintenance and viability supports a broad range of City plans and policies.

### **Financial Forecast Overview**

#### **Facilities Services**

Facilities Services' rental rates fund major maintenance projects, some of which are capitalized. Financial projections of these ongoing resources for the funds determine the level of projects in the plan.

#### **Spectator Venues Program**

Accumulated net revenues in the Spectator Venues and Visitor Activities Fund provide the funding for portfolio projects. Financial projections of these one-time resources for the funds determine the level of projects in the plan.

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**Asset Management and Replacement Plan****Facilities Services**

Facilities Services administers major maintenance funds for all of the buildings it manages. The funds are collected as part of the rental rates assessed to bureaus on a square footage basis. Major maintenance plans are developed by performing annual building inspections to determine needed repairs and component replacements. Projects are ranked and prioritized for each building according to risk and consequence of failure and then planned within available funds. Facilities Services will be working to modernize the asset management program in order to more effectively manage and plan for maintenance and improvement of assets to improve the resilience and sustainability of its facilities and reduce long-term costs. The Division of Asset Management will be developing a strategic asset management program to better manage its critical assets, including new technologies and business process.

**Spectator Venues Program**

No major capital projects are included in the work plan at this time. Typically, ongoing maintenance costs are low for projects with City participation at the venues as many maintenance expenses are the obligation of the third-party operator. Expenses that are not the third-party operator's obligation will be provided through the annual repair budget from the SVVAF. While no asset management or replacement plan has been developed for the City's spectator and performing arts venues, work is underway with the third-party operators to develop these plans, which are expected to be completed in the next several years.

**Capital Programs and Projects****Capital Program Descriptions****Facilities Services**

Facilities Services manages and maintains safe, clean, efficient, and functionally current facilities that support City operations and public use. Services are provided to 3.5 million square feet of buildings and properties ranging from police precincts, office buildings, labs, parking structures, emergency services, radio towers, and specialty facilities throughout the Portland metro area. Services include procuring properties, new construction, major renovations and maintenance projects, preventive maintenance, and full property management.

**Funding Sources****Facilities Services**

The projects in this plan are funded from a variety of sources including major maintenance money, General Fund cash, interagency revenues, and debt will be used to fund projects within the Facilities Services portfolio.

**Major Projects****Facilities Services**

The Portland Building Reconstruction project (\$195 million) is expected to be completed ahead of schedule and under budget in FY 2019-20 and ready for move-in spring 2020. Construction of the new 4th & Montgomery Building (\$20.58 million) is underway. The project is a partnership with Portland State University, Oregon Health & Science University, and Portland Community College and completion is expected in 2020. The Space Optimization project (\$18.86 million) will leverage space utilization while also reducing external lease costs. The Portland Communication Center HVAC project (\$1 million) centralizes and improves air handling for spaces containing sensitive computing and telecommunications equipment. At City Hall, investments are needed to develop a technologically up-to-date and more reliable A/V system (\$500,000).

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**Net Operating and  
Maintenance Costs**

**Facilities Services**

For new facilities, OMF will use costs per square foot of comparable facilities to estimate costs. For replacement or improvement of building components, OMF relies on engineer and consultant estimates.

**Summary of Division Budget**

	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Requested FY 2018-19
<b>Resources</b>					
<b>External Revenues</b>					
Licenses & Permits	0	50	0	0	0
Charges for Services	10,936,771	11,602,654	7,606,275	7,964,292	7,964,292
Intergovernmental	2,814,122	2,819,560	3,252,527	5,086,870	5,086,870
Bond & Note	15,707,364	36,632,364	92,370,373	18,337,628	20,669,723
Miscellaneous	2,200,556	3,245,423	2,131,304	74,343,542	74,343,542
<b>Total External Revenues</b>	<b>31,658,813</b>	<b>54,300,051</b>	<b>105,360,479</b>	<b>105,732,332</b>	<b>108,064,427</b>
<b>Internal Revenues</b>					
General Fund Discretionary	1,176,362	1,064,129	1,339,602	1,063,239	1,672,789
General Fund Overhead	1,212,550	1,540,594	1,279,389	1,382,160	1,753,182
Fund Transfers - Revenue	4,417,059	2,706,021	5,122,404	8,554,591	21,057,608
Interagency Revenue	61,790,771	72,955,680	72,638,318	76,627,642	80,629,991
<b>Total Internal Revenues</b>	<b>68,596,742</b>	<b>78,266,424</b>	<b>80,379,713</b>	<b>87,627,632</b>	<b>105,113,570</b>
Beginning Fund Balance	68,045,860	71,107,144	70,635,801	57,705,503	57,705,503
<b>Total Resources</b>	<b>\$168,301,415</b>	<b>\$203,673,619</b>	<b>\$256,375,993</b>	<b>\$251,065,467</b>	<b>\$270,883,500</b>
<b>Requirements</b>					
<b>Bureau Expenditures</b>					
Personnel Services	17,394,357	18,789,529	21,494,065	21,686,102	23,534,496
External Materials and Services	46,960,676	61,859,819	65,916,716	62,323,059	62,900,324
Internal Materials and Services	6,213,740	7,785,354	7,972,730	8,822,026	9,489,198
Capital Outlay	14,416,582	26,466,400	108,259,163	74,703,910	87,760,613
<b>Total Bureau Expenditures</b>	<b>84,985,355</b>	<b>114,901,102</b>	<b>203,642,674</b>	<b>167,535,097</b>	<b>183,684,631</b>
<b>Fund Expenditures</b>					
Debt Service	18,219,754	8,914,459	10,998,802	12,490,418	13,639,982
Contingency	0	0	39,018,499	68,424,324	70,943,259
Fund Transfers - Expense	2,507,864	3,885,448	2,716,018	2,615,628	2,615,628
<b>Total Fund Expenditures</b>	<b>20,727,618</b>	<b>12,799,907</b>	<b>52,733,319</b>	<b>83,530,370</b>	<b>87,198,869</b>
Ending Fund Balance	71,107,144	87,290,194	0	0	0
<b>Total Requirements</b>	<b>\$176,820,117</b>	<b>\$214,991,203</b>	<b>\$256,375,993</b>	<b>\$251,065,467</b>	<b>\$270,883,500</b>
<b>Programs</b>					
Administration & Support	12,212,832	10,622,290	12,618,563	12,304,735	13,591,740
Operations and Maintenance	(22,438)	490	0	0	0
Fuel Management	40,294	48,483	0	0	0
Operations and Strategic Support	1,406	1,222,336	1,009,659	0	0
Facilities Services	39,757,149	68,820,306	134,933,265	117,294,044	132,156,573
Enterprise Operations Management	140	0	0	0	0
Procurement	(19,738)	784	0	0	0
Asset Management	0	0	0	988,631	988,631
Risk Management	206,127	3	0	0	0
Printing & Distribution	145,577	0	0	0	0
Maintenance & Repair	28,718	35,790	0	0	0
Grants Management	(105)	0	0	0	0
Project Management Office	(234,988)	0	5,000,000	0	0
Fleet Services	32,862,190	34,150,549	50,081,187	36,947,687	36,947,687

## Summary of Division Budget

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	Actual FY 2015-16	Actual FY 2016-17	Revised FY 2017-18	Proposed FY 2018-19	Requested FY 2018-19
New & Replacement Acquisitions	8,196	70	0	0	0
<b>Total Programs</b>	<b>84,985,361</b>	<b>\$114,901,102</b>	<b>\$203,642,674</b>	<b>\$167,535,097</b>	<b>\$183,684,631</b>

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FTE Summary

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
3000063	Accountant II	59,114	74,402	5.00	318,192	5.00	350,598	5.00	350,598
30003002	Administrative Specialist I	44,075	66,102	0.00	0	0.00	0	1.00	55,089
30003003	Administrative Specialist II	48,277	89,523	3.00	192,712	3.00	192,712	3.00	192,712
30003004	Administrative Specialist III	53,290	98,800	2.00	150,655	2.00	150,655	2.00	150,655
30003006	Analyst I	53,290	98,800	3.00	254,009	3.00	254,009	3.00	254,009
30003007	Analyst II	63,336	105,373	3.00	263,444	3.00	293,655	4.00	378,009
30003008	Analyst III	69,805	126,318	7.00	786,221	7.00	786,221	7.00	786,221
30003009	Analyst IV	80,205	140,338	0.90	99,244	0.90	99,244	0.90	99,244
30000125	Auto Body Restorer	61,714	69,118	2.00	138,237	2.00	138,237	2.00	138,237
30003011	Business Systems Analyst II	63,336	105,373	1.00	90,147	1.00	90,147	1.00	90,147
30003013	Capital Project Manager II	63,336	105,373	3.00	264,859	3.00	285,875	3.00	285,875
30003014	Capital Project Manager III	69,805	126,318	1.00	88,948	1.00	104,832	1.00	104,832
30003016	Chief Administrative Officer	147,035	235,227	1.00	203,944	1.00	203,944	1.00	203,944
30003235	Coordinator I - E	48,277	89,523	2.00	116,533	2.00	126,318	2.00	126,318
30003027	Coordinator I - NE	48,277	89,523	3.00	220,438	3.00	220,438	3.00	220,438
30003028	Coordinator II	53,290	98,800	3.00	240,178	2.00	164,133	4.00	316,223
30003029	Coordinator III	63,336	105,373	4.00	351,379	3.00	296,025	4.00	381,379
30003030	Coordinator IV	69,805	126,318	1.00	94,245	1.00	94,245	1.00	94,245
30000017	Customer Accounts Specialist I	40,186	57,949	0.00	0	0.00	0	5.00	229,840
30003032	Deputy Chief Administrative Officer	111,696	189,842	1.00	111,696	1.00	111,696	1.00	111,696
30000368	Engineer-Mechanical	94,619	114,982	2.00	215,636	2.00	220,652	2.00	220,652
30000711	Facilities Maint Dispatch/Scheduler	49,067	75,525	3.00	157,019	2.00	107,952	3.00	157,019
30000070	Facilities Maintenance Tech Apprentice	44,574	70,574	1.00	48,298	1.00	53,234	1.00	53,234
30000071	Facilities Maintenance Technician	66,768	74,277	17.00	1,153,519	15.00	1,103,054	17.00	1,249,424
30003053	Facilities Project Specialist	53,290	98,800	3.00	219,475	3.00	244,982	3.00	244,982
30003054	Financial Analyst I	53,290	98,800	2.00	157,207	2.00	157,207	2.00	157,207
30003055	Financial Analyst II	63,336	105,373	8.00	707,450	8.00	707,450	8.00	707,450
30003056	Financial Analyst III	69,805	126,318	1.00	116,938	1.00	116,938	1.00	116,938
30003079	Maintenance Supervisor I - E	63,336	105,373	1.00	84,354	1.00	84,354	1.00	84,354
30003081	Manager I	80,205	140,338	3.00	318,829	3.00	332,676	4.00	442,947
30003082	Manager II	92,851	162,490	2.00	210,330	2.00	251,659	2.00	251,659
30003083	Manager III	111,696	189,842	1.00	150,769	1.00	150,769	1.00	150,769
30000012	Office Support Specialist II	37,461	53,789	2.00	90,274	2.00	93,964	2.00	93,964
30000055	Storekeeper/Acquisition II:Auto Part Spec	50,398	61,651	4.00	186,300	4.00	233,776	4.00	233,776
30003103	Supervisor I - E	63,336	105,373	6.00	529,151	6.00	529,151	6.00	529,151
30003104	Supervisor II	69,805	126,318	1.00	87,505	1.00	100,006	1.00	100,006
30000076	Utility Worker I	47,882	52,062	2.00	76,003	0.00	0	2.00	104,124
30002489	Utility Worker I-CL	47,112	51,230	3.00	102,612	3.00	151,632	3.00	151,632
30000077	Utility Worker II	52,062	55,994	1.00	52,062	1.00	53,040	1.00	53,040
30002490	Utility Worker II-CL	51,230	55,078	1.00	52,589	0.00	0	1.00	52,589
30000131	Vehicle & Equipment Mechanic	61,714	69,118	53.00	3,622,157	53.00	3,642,994	53.00	3,642,994
30000132	Vehicle & Equipment Mechanic, Lead	64,750	72,488	2.00	144,976	2.00	144,976	2.00	144,976
30000123	Welder	60,133	67,267	2.00	134,534	2.00	134,534	2.00	134,534
<b>TOTAL FULL-TIME POSITIONS</b>				166.90	12,603,067	158.90	12,577,986	175.90	13,647,134
<b>TOTAL PART-TIME POSITIONS</b>				0.00	0	0.00	0	0.00	0
30000061	Accounting Technician	37,461	53,789	1.00	37,461	1.00	29,453	1.00	29,453
30003007	Analyst II	63,336	105,373	0.00	0	0.00	0	1.00	84,354
30003013	Capital Project Manager II	63,336	105,373	1.00	36,764	1.00	67,916	1.00	67,916
30000686	Capital Project Manager II	77,854	104,146	0.00	0	0.00	0	1.00	103,384
30003029	Coordinator III	63,336	105,373	1.00	67,617	0.00	0	1.00	54,448

**FTE Summary**

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30000711	Facilities Maint Dispatch/Scheduler	49,067	75,525	1.00	49,067	0.00	0	1.00	33,272
30003053	Facilities Project Specialist	53,290	98,800	0.00	0	0.00	0	1.00	49,357
30000055	Storekeepr/Acquisition II:Auto Part Spec	50,398	61,651	1.00	50,398	1.00	53,830	1.00	53,830
<b>TOTAL LIMITED TERM POSITIONS</b>						5.00	241,308	3.00	151,199
<b>GRAND TOTAL</b>						171.90	12,844,375	161.90	12,729,185

# CAO - Division of Asset Management

## Program Description & Goals

The Division of Asset Management (DAM) consists of Facilities Services and CityFleet divisions. The Facilities Services Division is responsible for the maintenance and repair of approximately 16 OMF-owned buildings as well as several customer bureau facilities under interagency agreements. The CityFleet Division is responsible for the maintenance and repair of the City's fleet of over 3,600 vehicles and mobile equipment, and several local jurisdictions' vehicles through contract. CityFleet does not provide services to Portland Fire & Rescue's fire apparatus.

DAM performance metrics are managed at the Facilities and CityFleet division level. The most prominent metrics for this division are related to the percentage of vehicles meeting industry utilization standards and the change in average energy use intensity over the prior year average.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of vehicles meeting industry utilization standards	91%	97%	0	92%	90%
Percent of on-time preventive maintenance compliance	0	0	0		

## Explanation of Services

The Division of Asset Management is responsible for the overall performance of OMF's Asset Management Program, cost effective life-cycle management of OMF's building portfolio, and the City's fleet of vehicles and mobile equipment. Using the Strategic Asset Management Plan as a guide, and utilizing industry-standard asset management principles, techniques, processes, technology, and data analytics, the DAM manager will drive the development and continuous improvement of the Asset Management Program.

DAM staff provides a suite of services to managers of CityFleet, Facilities Services, and the Division of Asset Management. Service provisions include organizational development, budgeting and planning, data analytics, performance measurement, process improvement and documentation, and resource management.

## Equity Impacts

The OMF Division of Asset Management advances equity within its internal service delivery framework through the following methods:

- Facilities' active participation in the Prime Contractor Development Program.
- Facilities' compliance with all applicable laws and city policies governing contracting with minority-owned businesses and community benefit agreements on large capital projects.
- Both divisions' focused outreach to women and communities of color for recruitments – both communities are historically underrepresented in the building trades and vehicle repairs services fields.
- Creation of the Facilities Maintenance Technician Apprenticeship and Utility Worker programs intended to increase the representation of historically under-represented classes in the Facilities workforce.
- Active participation in the OMF Equity Committee.

## Changes to Program

The Division of Asset Management is charged with the stewardship of OMF's growing building portfolio and the City's growing vehicle fleet. Facilities' customer bureaus are demanding more secure, clean, comfortable, and healthy work environments that are kept functionally and technologically current at a low cost. CityFleet's customer bureaus are demanding more cost-effective vehicle maintenance and repair services and higher equipment availability. DAM does not anticipate changes to resources or organizational structure.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	113,039
Internal Materials and Services	0	0	0	109,040
Personnel	0	0	0	766,552
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>988,631</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	5
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Resources:** The Asset Management Program is funded through interagency agreements with the Fleet and Facilities internal service funds.

**Expenses:** Program expenditures are primarily for five employees and support costs through external and internal materials and services.

**Staffing:** The program has 5.0 FTE, including the manager of the Division of Asset Management and four employees that provide services to DAM's management team.

**Assets and Liabilities:** The program has no significant assets or liabilities. All of the assets and liabilities of the Division of Asset Management are in the CityFleet and Facilities funds.

## Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/dam/>

**Program Contact:** Carmen Merlo  
**Contact Phone** 503-828-5665

# CAO - Business Operations

## Program Description & Goals

Business Operations is the Office of Management & Finance's centralized provider of financial management, communications, administrative, and business services. Major functions include financial oversight of OMF's budget development, budget monitoring, and daily financial transactions. Administrative Services include timekeeping, medical claims, and personnel actions. The Communications Team responds to public records requests and media queries, monitors the OMF Strategic Plan, and coordinates bureau and Citywide strategic communications.

Business Operations offers dedicated subject matter experts and deploys systems and processes to a portfolio of assignments and customer bureaus. The completion of budget communications and personnel-related services are indicators of success, in addition to positive customer feedback and expanding centralized services.

Business Operations supports bureau equity goals by incorporating equity principles and practices into the services provided to customer bureaus.

Business Operations performance measures include the percentage of accounts payable processed within 30 days and the percentage of OMF General Fund ending fund balance within policy.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percent of Accounts Payable within 30 days	82%	80%	0	100%	100%

## Explanation of Services

The Office of Management & Finance is a bureau comprised of four organizations, over \$650 million in total appropriations, and over 660 staff. Business Operations provides three key centralized services to the organizations of OMF:

- Communications and strategic planning
- Budget development and monitoring
- Personnel-related administrative services including timekeeping, medical claims, and personnel actions

The Deputy Chief Administrative Officer and Communications Services provide strategic planning, centralized messaging, change management support, media and public information, project and program management, and community involvement services for OMF projects and initiatives.

Financial management services include coordinating OMF financial management process, budget development and monitoring, financial analysis services, accounting function and accounts payable services, and other financial services.

Administrative support services include timekeeping and payroll, personnel actions and administrator service, medical claim services, contract and purchasing services, and other administrative support services.

## Equity Impacts

Business Operations strives to connect equity work with the broader vision of the City, incorporating principles and practices of racial equity into bureau service wherever possible. Business Operations is the managing partner for budget development, incorporating the budget Equity Assessment Tool into processes and budget submissions. As a buyer of service contracts and having a role in assisting customer bureaus procure services, Business Operations is familiar with MWESB firms and City procurement rules and allowances encouraging the maximization MWESB awardees. As a service provider for personnel actions and onboarding for customer bureaus, Business Operations encourages racial equity goals in hiring practices, training goals and monitoring, and provision of onboarding resources and materials for resources such as racial equity committees.

In FY 2018-19, Business Operations reinstated a racial equity committee, focusing on hiring and onboarding, training, and services responsive to existing employees such as evaluations, exit interviews, and other HR practices. Reviving equity participation and support maximizes on the influence that may be exerted by Business Operations as a service provider to OMF.

## Changes to Program

Changes to the program include a reduction of resources to meet service demand. Business Operations will manage vacancy savings to meet the one percent reduction in service appropriation, minimizing as much as possible service impacts to customers.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	164,228	167,575	491,151	95,352
Internal Materials and Services	403,633	405,630	467,375	416,425
Personnel	3,387,215	3,333,379	4,281,298	3,968,603
Ending Fund Balance	0	57,828,976	0	0
<b>Sum:</b>	<b>3,955,076</b>	<b>61,735,560</b>	<b>5,239,824</b>	<b>4,480,380</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	28	28	33	28
<b>Sum:</b>	<b>28</b>	<b>28</b>	<b>33</b>	<b>28</b>

**Resources:** Business Operations receives both General Fund resources and interagency funding to provide services to General Fund funded bureaus, and interagency rate based funded bureaus.

**Expenses:** The primary expense in the Business Operations budget is staffing.

**Staffing:** Business Operations has 28.0 FTE. Under the direction of the Deputy Chief Administrative Officer, the following teams provide service to OMF bureau customers: 3.0 FTE Administrative Team, 6.0 FTE Communications Team, 5.0 FTE General Fund Budget Team, 7.0 FTE Division of Asset Management Team, 6.0 FTE Bureau of Technology Services Team.

**Assets and Liabilities:** N/A

### Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/cao/26641>

**Program Contact:** Carmen Merlo  
**Contact Phone** 503-823-5288

# CAO - Office of the Chief Administrative Officer

## Program Description & Goals

The Office of Management & Finance (OMF) provides internal services to support the operational needs of City bureaus, as well as coordination and leadership on overall administrative services. OMF is overseen by the Chief Administrative Officer (CAO).

The Office of the CAO provides leadership and oversight for a variety of Citywide projects and programs and plans and directs an array of financial management, policy development, and project management services for Council and City bureaus. The CAO leads the development of the bureau's strategic plan and ongoing reporting on the completion of strategic objectives and initiatives. The CAO oversees the bureaus of Human Resources, Revenue and Financial Services, and Technology Services.

The Office of the CAO furthers the City goal to deliver efficient, effective, and accountable municipal services, as well as OMF's strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions. In FY 2019-20, the bureau will manage a budget of \$744 million in 18 funds.

Performance of the Office of the CAO is measured by the program's ability to carry out enterprise solutions on behalf of Council and the City of Portland.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
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## Explanation of Services

The Office of the CAO provides leadership, oversight, and direction to internal service support and operational service managers in OMF. The CAO directs the bureaus of Human Resources, Revenue and Financial Services, and Technology Services.

The Office of the CAO also provides Citywide leadership in the broader vision of the City, convening the Bureau Directors to discuss current and future needs and lead process improvement efforts; convening groups such as the OMF Customer Workgroup tasked to examine centralized service delivery to bureau customers, and playing a key role in evaluating and updating budget processes to focus on core City services and service needs.

The Office of the CAO implements the FY 2018-20 Strategic Plan that advances three inter-related strategies: adopting 21st century business solutions, developing an inclusive and talented workforce, and leading Citywide initiatives. It was created through an inclusive process involving OMF employees, City bureaus, and City Council. The Strategic Plan focuses our efforts in the same direction throughout the organization. It will also provide our customers and partners an understanding of our priorities and a tool for holding us accountable.

## Equity Impacts

The Office of the CAO provides strategic leadership and direction to OMF, including emphasis on diversity, equity, and inclusion efforts within the organization and in support of broader social equity efforts in the community through programs including the Community Opportunities and Enhancement Program. The FY 2018-20 Strategic Plan contains an equity focused strategy in the development of an inclusive, talented workforce, as well as specific tactics which offer more specific goals for each strategy:

- Implement OMF-wide and OMF bureau equity plans to assure that the City's racial equity goals are achieved
- Implement the City's social equity initiatives to support minority and women-owned business and promote a diverse workforce.

## Changes to Program

The Office of the CAO budget is almost entirely personnel costs for the CAO and Executive Assistant.

The one percent reduction will be managed with a reduction and/or efficiencies in external materials and supplies.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	18,396	146,019	135,242	59,039
Internal Materials and Services	83,136	87,053	42,812	63,169
Personnel	736,463	979,001	400,000	424,737
<b>Sum:</b>	<b>837,995</b>	<b>1,212,072</b>	<b>578,054</b>	<b>546,945</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	4.45	6.75	4	2
<b>Sum:</b>	<b>4.45</b>	<b>6.75</b>	<b>4</b>	<b>2</b>

**Resources:** The Office of the CAO is funded with General Fund Discretionary and Overhead resources.

**Expenses:** The primary expense in the Office of the CAO budget is staffing.

**Staffing:** The Office of the CAO has 2.0 FTE: the CAO, and one Executive Assistant.

**Assets and Liabilities:** NA

## Program Information

**Bureau:** Office of Management & Finance

[https://www.portlandoregon.gov/](https://www.portlandoregon.gov/cao/60165)

**Website:** [cao/60165](https://www.portlandoregon.gov/cao/60165)

**Program Contact:** Tom Rinehart

**Contact Phone** 503-823-5288

# CAO - Spectator Venues & Visitor Activities Program

## Program Description & Goals

The Spectator Venues and Visitor Activities Program oversees City-owned spectator and performing arts venues including the Veterans Memorial Coliseum (VMC), Providence Park, the Portland's Centers for the Performing Arts (P'5), and the Rose Quarter Plaza and Parking Garages. Program staff are also the primary liaisons to travel, tourism, and visitor development efforts. The program oversees the Spectator Venues & Visitor Activities Fund (SVVAF), which is a self-sustaining enterprise fund that accounts for resources and requirements for program activities. The SVVAF is responsible for City-obligated expenses at the facilities and debt service payments on certain obligations.

The program goals are to 1) support successful operations of the venues, 2) to meet all program expense obligations while protecting the General Fund, 3) provide resources for activities and investments that improve the condition and viability of the venues, and 4) support growth of the sports, travel, and tourism industry in Portland.

Historically, the program has relied on the Rose Quarter venues for much of the revenues required for expenditures. Recent strong financial performance at the Rose Quarter has increased reserves and allowed strategic investments to be made in several capital projects at the venues to better serve the community and improve their long-term viability.

The program supports the OMF Racial Equity Plan by working with venue operators to provide equitable access to the venues including amateur sports and non-profit community events as allowed by our agreements, by awarding contracts to Oregon COBID certified firms when possible, and by following all applicable OMF/CAO policies and procedures regarding recruitment, hiring, and staff training and education.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of minimum Spectator Venue & Visitor Activities Fund operating reserved maintained	0	0	0	100.00%	100.00%

## Explanation of Services

The program is responsible for overseeing a City-owned portfolio of venues valued at over \$500 million and maintaining effective and mutually-beneficial professional relationships with the venue operators. Oversight of the contractual agreements with the operators is a key function of the program. Major program activities include facility operations, maintenance, repair, and capital improvements; financial planning and contract administration; special projects; and liaison activities among City bureaus, other governmental agencies, and private parties including a broad range of organizations engaged in travel, tourism, and visitor development activities.

In the past two fiscal years, the activities of the program have contributed directly to increased use and profitability at the VMC and Rose Quarter garages, developing the agreement and incentives package needed to allow the construction of a \$57 million privately-funded expansion at Providence Park, engineering studies to improve seismic resiliency at the Keller Auditorium and VMC, negotiation of an amendment to the Visitor Facilities Intergovernmental Agreement, and improvements to access for people with disabilities at all the venues.

Within the program, community members have occasionally been involved in specific project-related matters including the development of a Title II ADA Transition Plan to improve access at the venues and in some matters that go to City Council for approval, but most day-to-day activities and responsibilities of the program do not require, and would not necessarily benefit from, increased direct community engagement.

## Equity Impacts

By accommodating a wide range of events including but not limited to professional and amateur sports, large and small concerts, amateur, professional, and youth performing arts, ballet, opera, symphony, traveling Broadway theater, conferences, exhibitions, meetings, religious events, reunions, and non-profit community events, the venues collectively serve a very broad and diverse segment of residents and visitors to Portland. The venues are also important economic engines for the City as they generate hundreds of direct jobs and support many more through the direct and indirect spending associated with event production and attendees.

The program is responsible for implementation of the City's ADA Title II Transition Plan at the venues within the portfolio. The program maintains a database of the 2,739 potential barriers identified at the facilities and is working with the operators on implementation of the Council-approved 20-year mitigation workplans for each building. Annual progress reports are submitted to the Office of Equity and Human Rights on Transition Plan implementation. As of fall 2018, 436, or 15.9% of the inventoried barriers, have been addressed.

The projects described in the following section all directly or indirectly improve the venues' ability to safely and effectively serve the community, and all have access improvement components.

## Changes to Program

Program workload has increased over the past few years as several major projects have been underway. These include oversight of the major expansion at the stadium, completion of the VMC Refresh Project, planning and early design work for future renovation projects at the VMC and the Portland's 5 facilities, and efforts to negotiate a major amendment to the Visitor Facilities Intergovernmental Agreement. In addition, because of strong revenue generation by the Rose Quarter facilities, the program has been able to support several needed capital projects at the venues including lighting upgrades at the VMC and roof replacement projects at the VMC and the stadium. The program is also supporting two new inter-bureau coordination efforts: The Venue Safety & Security Group and the Greater Rose Quarter Coordination Group. Both groups meet monthly.

Demands for major capital renovations at several of the facilities greatly exceed projected SVVAF revenues and the program is actively engaged in seeking other revenue sources for key projects.

The program is housed within the Strategic Projects and Opportunities Team under the Deputy Chief Administrative Officer. The program is supported through a service area agreement with Business Operations for financial, contracting, and other support services, which allows the program's 2.15 FTE to focus more on program activities and projects and less on administrative activities.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	1,803,114	1,421,860	2,457,000	1,700,000
External Materials and Services	5,052,890	3,351,799	3,542,464	3,924,250
Internal Materials and Services	185,266	318,880	320,431	385,997
Personnel	379,665	411,779	480,790	501,867
<b>Fund Expense</b>				
Contingency	0	0	7,730,539	7,254,863
Debt Service	0	0	3,441,592	3,442,375
Fund Transfers - Expense	133,406	148,579	210,338	222,089
<b>Sum:</b>	<b>7,554,341</b>	<b>5,652,897</b>	<b>18,183,154</b>	<b>17,431,441</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	2.15	2.15	2.9	2.15
<b>Sum:</b>	<b>2.15</b>	<b>2.15</b>	<b>2.9</b>	<b>2.15</b>

**Resources:** The program is entirely funded by revenues from the SVVAF. The SVVAF collects revenue from the venues according to the terms of the agreements and receives a modest annual allocation from the Visitor Facilities IGA. Most of the revenue comes from Rose Quarter user fees and event parking fees. These revenues are variable and dependent on the venue operators' ability to attract events and the performance of the Trail Blazers.

**Expenses:** Program expenditures for bonded debt on the venues is a known amount. Expenditures associated with required repairs and maintenance at the venues are less predictable and can vary significantly on an annual basis depending on unforeseen repair needs. Repair costs are increasing as the venues age and more systems reach the end of their useful life. When revenues permit, the program can support additional capital projects at the venues. The recently completed \$5 million VMC Refresh project is one example.

**Staffing:** The program includes two permanent full-time positions and is supported by a financial analyst in OMF Business Operations under the terms of a service agreement. To further support the program and assist on specific projects and tasks, the program budget usually includes funds for one or more part-time temporary employees.

**Assets and Liabilities:** Physical assets overseen by the program at the Rose Quarter include the VMC, East and West Garages, Plaza, Benton Parking Lot, and the Phase II lot as well as the land leases for the Moda Center, Garden Garage, and Annex complex. Additional properties overseen by the program include Providence Park and the three theater buildings operated by Portland's (Antoinette Hatfield Hall, the Arlene Schnitzer Concert Hall, and Keller Auditorium).

The facilities overseen by the program are generally in good condition except for the VMC, which is in poor condition. All the venues are aging and will require significant capital reinvestments to keep them in (or return them to) good condition in the future. According to the terms of the agreements, the program relies on the venue operators to plan for major maintenance and replacement efforts, which the City is required to pay for. Revenues are not sufficient to pay expenses anticipated by needed major renovations required at several of the venues without significant contributions from other funding sources.

The program is responsible for bond payments associated with previous projects. Annual debt service obligations ranging from \$2.2 to \$3.3 million continue through FY 2026-27.

## Program Information

<b>Bureau:</b>	Office of Management & Finance	<b>Program Contact:</b>	Susan Gibson-Hartnett
<b>Website:</b>	<a href="https://www.portlandoregon.gov/cao/61142">https://www.portlandoregon.gov/cao/61142</a>	<b>Contact Phone</b>	503-823-6958

# CAO - Project Management for Citywide Initiatives

## Program Description & Goals

The Project Management for Citywide Initiatives (PMCI) work group is housed in OMF's Strategic Projects and Opportunities Team (SPOT) and manages complex multi-bureau, Citywide, and intergovernmental initiatives and projects. PMCI projects and programs typically require multi-disciplinary project management and a collaborative, multi-bureau approach to issue identification, resolution, and decision-making. PMCI assignments focus on efforts to align regulations, activities and outcomes with City goals, policies and plans; process improvement efforts to improve and enhance service delivery; and ongoing efforts to track processes and issues affecting the City, to build and maintain relationships with internal and external stakeholders, and to provide support and information as needed.

PCMI staff collaborates with City Council and Commissioners' staff, bureau directors, City staff, and external stakeholders to achieve agreeable outcomes by convening multi-disciplinary stakeholder groups, analyzing complex policy and operational solutions, and recommending courses of action to City leaders.

PCMI's workload provides opportunities to collaborate with employees and managers throughout OMF, other City bureaus, elected officials and their staff, and with external stakeholders on outcomes that advance the Citywide Racial Equity Goals and Strategies Plan as well as OMF's Racial Equity Plan.

Housed in SPOT and reporting through the Deputy CAO (DCAO), the PMCI is part of the larger Strategic Programs and Opportunities Team (SPOT). SPOT, as an organizational unit, encompasses three programs:

- Project Management for Citywide Initiatives, addressed in this program offer
- Spectator Venues Program\*
- City Arts Program\* (budgeted through Special Appropriations)

\* Spectator Venues and City Arts programs have restricted funding streams and specialized workplans and are covered in separate program offers.

PMCI projects are complex and frequently take multiple years to realize results. Performance is measured through the program's successful alignment of regulations, activities, and outcomes with the City's goals, policies, and plans. Program success can also be measured through enhanced Citywide service delivery, upon completion of PCMI-led process improvement efforts.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
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## Explanation of Services

The PMCI was created to bring a Citywide perspective to enterprise issues, implement Citywide initiatives, and to provide analysis and recommendations on policy and business decisions. City Council and bureau directors rely on the PCMI to provide project management leadership for multidisciplinary projects of Citywide or enterprise significance. PCMI projects impact substantial portions of City operations, staff, or service delivery and presents significant policy, financial and/or community implications and consequences. Projects may last for a few months to a few years,

depending on the complexity of the work. In addition, staff also manage a variety of other limited term and on-going projects and efforts.

Current activities include:

**Build Portland:** A PMCI project manager is leading the multi-year, multi-bureau initiation of the program approved in March 2018 to fund the first phase of seven projects with up to \$50 million in tax revenue bonds to fund infrastructure renovations and repairs, resulting in up to \$600 million over the next 20 years for investment in improving the roads, bridges, parks, and buildings that the community uses every day. This effort will continue in FY 2019-20.

**Enterprise Asset Management Strategy:** A PMCI project manager is taking the short-term lead on a multi-bureau effort to develop Citywide policies to support asset management as a core City business function. This effort will continue in FY 2019-20 but is expected to transition to other OMF areas during FY 2019-20.

**Paper: Less and Later:** A PMCI project manager is leading an OMF-wide test of filing Council documents electronically – from the creation of documents within each OMF bureau through approval and signature of the CAO, City Attorney, and Mayor’s Office, to the Auditor’s Office for final review, authorization, and submittal to Council. The pilot test of this effort is expected to conclude in FY 2019-20 and may lead to a Citywide, multi-year project in future years.

**311/Customer Service Improvement Project:** A PMCI project manager is leading a multi-year, multi-bureau effort to plan for and implement a new Citywide 311 Program. This program will provide a first stop solution for questions and requests from community members via telephone, web, and in person. The Citywide 311 Program will complement the City’s existing customer service efforts and enhance community access to City information and services. This effort will continue as a PMCI project through most of FY 2019-20 but the lead responsibility for the new program is expected to transition to the Office of Community & Civic Life during FY 2019-20.

**Floodplain Management/BiOp:** A PMCI project manager is leading a multi-year, multi-bureau work program to develop a coordinated Citywide response to changes to the National Flood Insurance Program (NFIP) associated with Endangered Species Act (ESA) compliance. The City’s continued participation in the NFIP is necessary to make federally-backed flood insurance available to Portland residents and businesses. This effort will continue as a PMCI project through most of FY 2019-20 and the decision on where the lead responsibility resides in the future is expected to be made in FY 2019-20.

Prior to establishment of the PMCI, the work performed by PMCI staff was often difficult to initiate or complete through other channels. PCMI provides project implementation by convening affected stakeholders to fully identify challenges, outcomes, and desired improvements. This is done through researching best practices and developing options for mutually agreed upon solutions to enterprise civic challenges to advance toward resolution and implementation.

Community engagement for PMCI efforts primarily takes place through the participating bureaus; direct community input and engagement is included for appropriate projects. The nature and degree of community engagements varies greatly depending on the effort, many of which are more internally focused. PMCI staff are have strong knowledge of the Citywide Racial Equity Goals and Strategies Plan and the elements of diversity, equity, and inclusion are significant drivers in defining and developing project outcomes and implementation strategies.

## Equity Impacts

The PMCI program is connected to the broader equity vision of the City to benefit communities by implementing components of the Citywide Racial Equity Goals and Strategies Plan as well as OMF's Racial Equity Plan as follows:

Fairness in hiring and promotions, greater opportunities in contracting, and equitable services to all residents: PMCI staff participate in numerous City of Portland employee hiring processes, both within the Strategic Projects and Opportunities Team and for OMF and partner bureaus across the City, receiving bias training, serving as subject matter experts to review applicant materials, and sitting on interview panels. Some PCMI programs and projects require PTE contracts, providing opportunities in contracting to meet or exceed the City's target rate of 20% MWESB. Both hiring and contracting processes meet the requirements of ADA Title II and Civil Rights Title VI.

Strengthen outreach, public engagement, and access to City services: PMCI program staff use best practices in equitable community outreach and engagement to ensure the needs and input of traditionally under-served and under-represented communities inform recommendations on the Citywide programs and projects led by PMCI. The citywide breadth of PMCI's programs and projects provides opportunities to advance racial equity best practices enterprise-wide and to meet the requirements of ADA Title II and Civil Rights Title VI.

Collaborate with communities and institutions to eliminate racial inequity in all areas of government: The PMCI's work requires staff to collaborate with staff and leadership throughout City government, with elected officials and their staff, and with community stakeholders to plan and implement equitable and effective policies, projects, and programs.

## Changes to Program

The PMCI has evolved over several years from a two-person, OMF-focused policy development and oversight team to a four-person, Citywide-focused project management team. In FY 2018-19, the PMCI budget was incorporated into OMF's Business Operations program budget. This FY 2019-20 Program Offer separates the PMCI program to highlight the unique nature of the group's work. Budgetarily, this program offer proportionally redistributes personnel and materials and services budgets from the Business Operations program to the PMCI program. There is no net change in resources allocated.

To preserve the core PMCI function and allow new efforts and projects to be included in the group's work plan, ongoing implementation of the mutually agreed upon solutions and outcomes must transition to other City work groups. In FY 2019-20, two PMCI projects will advance through development of budget decision packages:

- 311/Customer Service Improvement Project: This effort will continue as a PMCI project through most of FY 2019-20 but the lead responsibility for the new program is expected to transition to the Office of Civic and Community Life during FY 2019-20.
- Floodplain Management/BiOp effort. This effort will continue as a PMCI project through most of FY 2019-20 and the decision on where the lead responsibility resides in the future is expected to be made in FY 2019-20. Development of a 5-year multi-bureau work plan recently got underway and will be used to the extent possible to inform the decision package.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	0	55,434
Internal Materials and Services	0	0	0	50,000
Personnel	0	0	0	659,862
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>765,296</b>

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	3.75
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3.75</b>

**Resources:** The program is primarily funded through General Fund ongoing discretionary and overhead.

**Expenses:** Primary program expenses include personnel costs for 3.35 FTE. Program expenses for internal and external materials and services needed to support those positions are minimal. The Program budget has very limited capacity for external materials and services expenses, such as professional and technical expertise (PTE) needed to support and complete projects. Personnel costs will continue to be the largest and most predictable component of the program budget. The program would benefit from additional staff to increase capacity for enterprise-wide project management and allow proactive management of policies, regulations, and Administrative Rules affecting Citywide efforts and service delivery.

**Staffing:** The program is currently staffed with four positions: one Analyst IV, two Analyst IIIs, and a Coordinator III. The program staff is budgeted at 3.75 FTE; the Analyst IV is budgeted at 0.75 FTE, with the remaining 0.25 FTE being budgeted under the Spectator Venues Program and the City Arts Program. and the Coordinator III is budgeted at 1.00 FTE. The Coordinator III position is funded at approximately 85% of costs. In FY 2019-20 the remaining 15% of the Coordinator III is funded through project specific IA resources.

**Assets and Liabilities:** N/A

### Program Information

**Bureau:** Office of Management & Finance  
<https://www.portlandoregon.gov/cao/60248>

**Program Contact:** Susan Gibson-Hartnett

**Website:** <https://www.portlandoregon.gov/cao/60248>

**Contact Phone:** 503-823-6958

# CAO - Facilities - Administrative & Support Services

## Program Description & Goals

Facilities Administrative & Support Services houses management operations of OMF Facilities Services. This program houses the division manager who provides overall management of all other Facilities Services programs and positions which support the overall work of the other programs within Facilities Services.

Facilities Administration and Support Services is measured by a customer satisfaction score and an employee satisfaction score.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Average Facilities Services Customer Satisfaction score	0	0	0	3.00	4.00
Average Facilities Services Employee Satisfaction score	0	0	0	3.60	4.00

## Explanation of Services

The Administrative & Support Services program provides general management and administration for all OMF Facilities Services' programs to ensure seamless building-related service provision to customer bureaus and tenants.

## Equity Impacts

Facilities Services has adopted equity as one of its seven core values, and models equity throughout daily activities. Facilities demonstrates commitment to equity through the following activities:

- Active participation in the City's Prime Contractor Development Program (PCDP)
- Compliance with all applicable laws and City policies governing contracting with minority-owned businesses and community benefit agreements on large capital projects
- Focused minority outreach for position recruitments
- Creation of the FMT Apprenticeship and Utility Worker programs, which are intended to increase the representation of historically under-represented classes in the Facilities workforce
- Active participation in the OMF Equity Committee

## Changes to Program

Over time, OMF Facilities Services anticipates an upswing in service demand related to security, janitorial, and operational functions within OMF managed facilities. Community members and tenants expect buildings to maintain functionality and be outfitted with modern technology. The rate of change in the workplace and in technology is increasing. Additionally, the City of Portland's workforce is increasing in size, increasing the amount of occupied space and requiring space efficiency measures throughout OMF buildings and leased spaces.

Two major projects within Facilities have spurred three new programs, which will be launched in FY 2019-20. The first is a Citywide Technology program which will include an enterprise approach to audio-visual equipment to support meetings, the implementation of a new room scheduling system which will allow city employees to more effectively find, book, and manage meeting rooms across the City, and digital signage to better communicate with employees and the public on City services and information. The second program, is a new furniture program which will centralize furniture purchasing and management to allow more logistical movement and use, efficient pricing, and enhanced space planning to support an increased number of employees in the workplace. Lastly, a new security program includes an enterprise system that integrates security access, cameras, and duress into one collective system. A revamped approach to customer service will change the responsibility of Facilities within the Portland Building to ensure the public and the staff are adequately served. These additional programs will require increases in staff and training for the new systems and building management.

Additional positions were requested in the 2018 Fall Budget Monitoring Process, which are being requested to be converted to permanent positions in the FY 2019-20 Requested Budget. There are no additional changes to program resources.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	78,334	79,572	46,020	41,514
Internal Materials and Services	1,472,524	1,837,832	946,687	1,739,053
Personnel	121,180	431,075	468,571	876,839
<b>Fund Expense</b>				
Contingency	0	0	-1,451,138	29,978,984
Fund Transfers - Expense	1,205,123	2,513,390	1,207,009	1,216,627
<b>Sum:</b>	<b>2,877,161</b>	<b>4,861,868</b>	<b>1,217,149</b>	<b>33,853,017</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	1	3	3	5
<b>Sum:</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>5</b>

**Resources:** The support services program is funded through Facilities Services Fund interest income, billable hourly rates, and the corporate rate charged to bureaus. In FY 2019-20 there are five separate hourly rates for project managers, supervisors, engineers, project specialists, dispatchers, facilities maintenance technicians (FMT), FMT apprentices, and utility workers.

**Expenses:** Primary expenses for this program include personnel services and the internal materials and services considered to be overhead for the hourly rates mentioned in the resources section above. The most notable expenses include services from the Bureau of Technology Services for ongoing support of the Enterprise Business Solution and the Facilities Services work order system, Facilities Center, insurance and workers' compensation, and management services from OMF Business Operations, Procurement, and the OMF Division of Asset Management.

**Staffing:** This program currently includes the Facilities Division Manager and three special programs employees.

**Assets and Liabilities:** There are no assets or liabilities associated with this program.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Kristin Wells

**Website:** [www.portlandoregon.gov/dam](http://www.portlandoregon.gov/dam)

**Contact Phone** 503-823-1869

# CAO - Homelessness and Urban Camping Impact Re

## Program Description & Goals

The Homelessness and Urban Camping Impact Reduction Program (HUCIRP) focuses on coordinated campsite cleanup in compliance with the Anderson Settlement agreement and works to educate the community on the nuances of homelessness. HUCIRP is responsible for coordinating cleanup of unsanctioned campsites on City properties/rights-of-way and manages the City's One Point of Contact reporting system. HUCIRP develops and implements harm/impact reduction strategies and is tasked with addressing public safety and livability issues occurring throughout the City in a coordinated manner. HUCIRP also facilitates service navigation opportunities for individuals experiencing homelessness and addresses health, safety, and livability concerns associated with encampments. Since HUCIRP's official inception in FY 2016-17, the number of cleanups has quintupled and cost per cleanup has fallen by 50%.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of campsite reports received and processed	0	0	0	29,000	0
Number of campsite cleanups performed	0	0	0	3,200	4,800
Total cleanup costs	0	0	0	\$2,500,000	\$1,875,000
Tons of garbage collected	0	0	0	2,000	3,500

## Explanation of Services

The Citywide Coordinated Campsite Cleanup Program (CCCC) was developed in FY 2014-15 as a need was identified by property owning bureaus and City Council to centralize a coordinating entity to carry out campsite cleanup in compliance with the Anderson et. al. v. City of Portland settlement agreement. HUCIRP was created as the subsequent service to the CCCC to reduce the impact of unsheltered homelessness, trash, and bio-waste within the City of Portland. The program works collaboratively with both internal and external stakeholders to make referrals as well remove bio-hazards and trash within the public right-of-way. The program has a total of 3.0 FTE and oversees the work of four vendors.

## Equity Impacts

HUCIRP's Mission: Working for all Portland community members to reduce the impact of unsanctioned urban camping within the City of Portland through responsive community education, collaboration, coordination with outreach providers, and risk mitigation.

HUCIRP's guiding principles include:

- 1) Recognizing and honoring the inherent value and worth in all humans regardless of economic status, ability, age, race, religion, sexual preference, or identity
- 2) Through harm reduction, reducing the impact of homelessness on housed and unhoused City of Portland residents, visitors, and commuters.
- 3) To effectively communicate the protected rights of unsheltered members of the community, the nuances of homelessness, jurisdictional authority, and the options available to our program for housed and unhoused Portland community members.
- 4) To cultivate transparent relationships with social service organizations.
- 5) Provide responsive, thorough, thoughtful, and equitable service to our internal and external partners.

## Changes to Program

The program's budget has more than doubled since FY 2015-16 as the need to address unsanctioned urban camping has grown. In FY 2017-18 the program added 2.0 FTE for a total of 3.0 FTE – made of 1.0 program manager and 2.0 program coordinators. With these additions, the program focus has been on deploying a two-tiered intervention strategy with the use of Clean Start (CS PDX) first and then following up with Pacific Patrol Services (PPS) or Rapid Response Bio Clean (RR), enabling response to issues based on potential risks, as opposed to the number of reports generated.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	3,043,949	5,023,635
Internal Materials and Services	0	0	2,250	7,528
Personnel	0	814	574,952	341,241
<b>Sum:</b>	<b>0</b>	<b>814</b>	<b>3,621,151</b>	<b>5,372,404</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	3	3
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>

**Resources:** HUCIRP's funding structure is made up of ongoing cash transfers in the amount of \$1 million each from the General Fund and Solid Waste Fund.

**Expenses:** Primary program expenses include time and material payments to vendors for campsite cleanup and salaries for 3.0 FTE. HUCIRP funds day storage operations and supports the development of alternative shelters in collaboration with the Joint Office of Homeless Services (JOHS). Additionally, the program rents a warehouse for storage space to store materials collected during campsite cleanup per the Anderson Agreement.

**Staffing:** The program has 3.0 FTE made up of 2.0 Coordinator I's and 1.0 Coordinator III. This staff level was achieved in FY 2017-18.

**Assets and Liabilities:** HUCIRP assumes Citywide liability for compliance with the Anderson Agreement and oversees the work of CS PDX, PPS, RR, and Multnomah County Sheriff's Office Inmate Work Crew in completing campsite cleanups. HUCIRP maintains a storage warehouse where items collected from camp cleanup activities are stored. HUCIRP has access to CityFleet's Vehicle Pool which enables the team to work in the field. HUCIRP purchased property for the development of alternative shelters on two public properties within the City. Additionally, this program owns two storage units, one located by the Steel Bridge downtown and the other by Hazelnut Grove in North Portland.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Lucas Hillier

<https://www.portlandoregon.gov/>

**Website:** toolkit

**Contact Phone** 503-823-6930

# CAO - Facilities - Operations & Maintenance

## Program Description & Goals

Facilities Operations & Maintenance is responsible for building services and the repair and maintenance of OMF-owned facilities. This includes a wide variety of facilities including:

- The City's primary government buildings: City Hall, The Portland Building, and the 1900 Building
- Police Precincts and auxiliary facilities
- Critical facilities including the Portland Communications Center which houses the 911 call center, the Emergency Coordination Center, and the Jerome Sears building.

Additionally, Operations & Maintenance maintains facilities for other bureaus on a time and material basis, including:

- SmartParks and operations and maintenance facilities for the Portland Bureau of Transportation (PBOT)
- Office buildings, warehouses, and laboratories of the Bureau of Environmental Services (BES)
- Water Bureau support facilities and the Bull Run headworks
- Union Station on behalf of Prosper Portland
- Leased spaces

This program is measured by the yearly change in average energy use intensity, timeliness of customer workorder turnaround, percent completion of preventative maintenance compliance, and average maintenance cost per square foot of OMF-owned offices.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Change in average energy use intensity over the prior year average	0	0	0		
Average customer demand workorder turnaround time	0	0	0	30	10
Percent of on-time preventative maintenance compliance	0	0	0		
Average maintenance and operations cost per square foot	0	0	0		

## Explanation of Services

Services provided by Operations & Maintenance fall into three primary areas:

- Performance of corrective and preventive maintenance on all building systems including mechanical, electrical, plumbing, interior finishes, and exterior envelope
- Administration of portfolio-wide building programs including fire and life-safety systems, elevators, access control, security services, janitorial, and emergency backup power systems
- Tenant support in the form of requested services such as furniture adjustments, wall hangings, appliance trouble-shooting, and moving furnishings, equipment, and heavy objects

## Equity Impacts

Facilities Services has adopted equity as one of its seven core values, and models equity in its daily activities. Facilities demonstrates its commitment to equity through the following activities:

- Active participation in the City's Prime Contractor Development Program (PCDP)
- Compliance with all applicable laws and City policies governing contracting with minority-owned businesses and community benefit agreements on large capital projects
- Focused minority outreach for position recruitments
- Creation of the FMT Apprenticeship and Utility Worker programs, which are intended to increase the representation of historically under-represented classes in the Facilities workforce
- Active participation in the OMF Equity Committee

## Changes to Program

OMF Facilities Services anticipates an increased demand for secure, clean, comfortable, and healthy work environments. Customer bureaus continue to increase workforce and additional locations are being added to Facilities Services' portfolio.

Operations & Maintenance anticipates a need for additional resources to administer the asset management program, meet new service offerings within the reconstructed Portland Building, and to meet demands of client bureaus. In coming years, Operations & Maintenance anticipates additional investment in a replacement workorder system.

Operations & Maintenance is employing new technologies, including Smartsheet and Tableau, to streamline business processes, enhance customer experiences, and enable data-driven decision making. Operations & Maintenance increased staff during the Fall Budget Monitoring Process to address understaffing which has resulted in delayed maintenance. Operations and Maintenance will seek permanent funding for those positions.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	15,905,702	15,191,713	26,481,457	25,666,557
Internal Materials and Services	1,705,079	2,023,964	2,806,026	3,074,784
Personnel	2,808,602	3,082,513	4,274,490	3,593,523
<b>Fund Expense</b>				
Contingency	0	0	24,891,943	0
Debt Service	0	0	0	2,863,807
Fund Transfers - Expense	0	0	0	0
<b>Sum:</b>	<b>20,419,383</b>	<b>20,298,190</b>	<b>58,453,916</b>	<b>35,198,671</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	25	27	26	31
<b>Sum:</b>	<b>25</b>	<b>27</b>	<b>26</b>	<b>31</b>

**Resources:** Operations & Maintenance is supported by rental rates charged to tenant bureaus, direct billings, and the Corporate Services charge.

**Expenses:** Primary expenses for this program include personnel, utilities, repair and maintenance supplies and services, and contracted services for security, janitorial services, and other miscellaneous services.

**Staffing:** Operations & Maintenance employs 30 personnel including a manager, supervisor, dispatchers, licensed Facilities Maintenance Technicians (FMTs), Apprentices, Utility Workers, and a building services Program Manager. Aside from the addition of two Utility Workers and a FMT Apprentice over the last few years, Operations & Maintenance staffing has remained unchanged for many years.

**Assets and Liabilities:** Operations & Maintenance maintains 16 OMF-owned buildings with a replacement value of approximately \$500 million. Building maintenance follows industry best practices. However, understaffing over years has resulted in preventative maintenance falling behind and historic underfunding of major maintenance reserves has caused a challenge to maintain buildings optimally. Without significant additional investment in major maintenance funding and staffing, the condition index of the portfolio is expected to continue declining. Facilities has undertaken a multi-year process to develop this further into a formal asset management program, to increase major maintenance funding to a sustainable level.

Liabilities include debt service for the Emergency Coordination Center, the City Archives Center, the Police Training Center, the Portland Building, and the 4th and Montgomery Building.

## Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Tim McCormack

**Website:** [www.portlandoregon.gov/dam](http://www.portlandoregon.gov/dam)

**Contact Phone** 503-823-6940

# CAO - Facilities - Capital Projects

## Program Description & Goals

Facilities Capital Projects manages all manner of capital projects including major maintenance, component replacement, renovation, and new construction projects. These are funded by a variety of sources, including major maintenance funds, General Fund capital set-aside, customer bureaus, and bond financing. Facilities Capital Projects' primary mission is to provide project management services for projects related to 16 OMF-owned buildings, including:

- The City's primary government buildings: City Hall, the Portland Building, and the 1900 Building
- Police Precincts and auxiliary facilities
- Critical facilities including the Portland Communications Center housing the 911 call center and the Emergency Coordination Center
- Jerome Sears building
- New construction including the 4th & Montgomery building

Additionally, the team manages projects for customer bureaus' facilities on a time and materials basis, including:

- SmartParks and Operations & Maintenance facilities for the Bureau of Transportation (PBOT)
- Office buildings, warehouses, and laboratories of the Bureau of Environmental Services (BES)
- Water Bureau support facilities and the Bull Run headworks
- Union Station on behalf of Prosper Portland
- Space planning studies
- Leased spaces

Facilities Capital Projects is measured by the percentage of projects completed on time and the percentage of projects completed under budget.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of construction projects completed on-time	0	0	0	80	90
Percentage of construction projects completed under budget	0	0	0		

## Explanation of Services

The team manages projects that generally fall into the following categories:

- Major maintenance and component replacements for primary building systems including mechanical, electrical, plumbing, fire and life-safety systems, elevators, security systems, and emergency backup power systems
- Architectural elements such as interior finishes, exterior envelopes, and tenant improvements
- New construction and building renovations

## Equity Impacts

Facilities Services has adopted equity as one of its seven core values, and model's equity throughout daily activities. Facilities demonstrates commitment to equity through the following activities:

- Active participation in the City's Prime Contractor Development Program (PCDP)
- Compliance with all applicable laws and City policies governing contracting with minority-owned businesses and community benefit agreements on large capital projects
- Focused minority outreach for position recruitments
- Active participation in the OMF Equity Committee

## Changes to Program

Over time, OMF Facilities Services anticipates an upswing in service demand related to security, janitorial, and operational functions within OMF managed facilities. Community members and tenants expect buildings to maintain functionality and be outfitted with modern technology. At the same time, building major maintenance funding has remained at a level that is inadequate for sufficient building maintenance. This has resulted in an estimated \$25 million backlog of major maintenance, component replacement, and seismic (structural and non-structural) remediation. Additionally, Portland's construction market is at an all-time high, which has presented shortages in the workforce and increased costs among capital projects.

Capital Projects is anticipating new investment in major maintenance in the near future. An increase in funding will require additional construction project management resources.

Capital Projects is employing new technologies, including Smartsheet and Tableau, to streamline business processes, enhance customer experiences, and enable data-driven decision-making.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	1,331,217	14,042,352	80,884,342	61,878,246
External Materials and Services	11,687,522	25,725,660	13,052,153	12,868,527
Internal Materials and Services	351,977	511,621	628,886	390,106
Personnel	705,699	1,146,981	645,054	1,148,149
<b>Fund Expense</b>				
Contingency	0	0	-590,440	13,450,460
Debt Service	59,331	305,011	3,841,674	5,606,375
Fund Transfers - Expense	0	0	0	0
<b>Sum:</b>	<b>14,135,747</b>	<b>41,731,625</b>	<b>98,461,669</b>	<b>95,341,863</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	5	5	7	6
<b>Sum:</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>6</b>

**Resources:** This program is primarily supported by billable hourly rates to building location budgets, and other City bureaus for billable services. Funding for capital projects is derived from a number of sources including major maintenance reserves, general fund capital set-aside, customer bureaus, and bond financing.

**Expenses:** Primary expenses for this program include personnel and project costs such as professional, technical, and expert consultants, construction, and miscellaneous services. Internal expenses for components of projects are often incurred from the Bureau of Technology Services, the Bureau of Environmental Services, the Bureau of Transportation, and the Bureau of Development Services for permitting and logistics.

**Staffing:** The Capital Projects team is comprised of a supervising construction project manager and eight construction project managers and specialists.

**Assets and Liabilities:** There are no assets or liabilities associated with this program.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Ron Umali

**Website:** [www.portlandoregon.gov/dam](http://www.portlandoregon.gov/dam)

**Contact Phone** 503-823-6947

# CAO - Facilities - Property Management & Real Estate

## Program Description & Goals

The Facilities Property Management & Real Estate Services team provides property acquisition and leasing, and property management services to City bureaus.

This program is measured by the average occupancy rate for all rentable spaces under the management of this program.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Average occupancy rate	0	0	0		

## Explanation of Services

This team includes one licensed real estate professional and two real estate specialists. The team consults with clients to understand their real property needs and provide in-house and contracted property search and brokerage services. The team also manages approximately 150 leases, including leases to provide additional space for City bureaus, inter-bureau leases, and leases of retail and commercial space in City buildings to other private or public-sector clients. Workload includes negotiating and managing lease agreements, researching property and rental markets, collecting rents, and responding to tenant requests or concerns. The team also provides real property sales and purchasing services.

## Equity Impacts

Facilities Services has adopted equity as one of its seven core values, and models equity throughout daily activities. Facilities demonstrates commitment to equity through the following activities:

- Active participation in the City's Prime Contractor Development Program (PCDP)
- Compliance with all applicable laws and City policies governing contracting with minority-owned businesses and community benefit agreements on large capital projects
- Focused minority outreach for position recruitments
- Active participation in the OMF Equity Committee

## Changes to Program

The City of Portland is growing and with it, the number of City employees which need supportive working locations which meet the needs and requirements of their work functions. As a result, the Property team is increasing in the number of managed leases. Purchase and sale of properties are increasing as well. Additionally, the new projects coming online in FY 2019-20 will generate new leases for those buildings and the retire existing leases where those bureaus are currently tenants.

There are no anticipated changes to organizational structure or resources.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	216,000	0	0	0
External Materials and Services	2,060,267	3,371,019	571,287	0
Internal Materials and Services	181,635	147,383	233,215	235,176
Personnel	367,120	427,348	258,542	409,166
<b>Sum:</b>	<b>2,825,022</b>	<b>3,945,750</b>	<b>1,063,044</b>	<b>644,342</b>

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	5.92	5	3	3
<b>Sum:</b>	<b>5.92</b>	<b>5</b>	<b>3</b>	<b>3</b>

**Resources:** The Property Management Program is supported by billable hourly rates to customers and locations requesting their services, and a small portion of rental income from some commercial tenants.

**Expenses:** Primary expenses for this program include personnel and miscellaneous services such as outside brokerage services.

**Staffing:** This program includes 3 FTE.

**Assets and Liabilities:** There are no assets or liabilities associated with this program.

### Program Information

**Bureau:** Office of Management & Finance      **Program Contact:** Pauline Goble  
**Website:** [www.portlandoregon.gov/dam](http://www.portlandoregon.gov/dam)      **Contact Phone** 503-823-6018

# CAO - CityFleet New & Replacement Acquisitions

## Program Description & Goals

The CityFleet Acquisition Team, in collaboration with bureau partners, is responsible for the replacement of approximately 700 distinct types of vehicles and specialized equipment. The acquisition team is also responsible for the disposal of vehicles at the end of their economic life cycle via public auction.

Acquisitions also manages the following processes: lease and rental equipment, new vehicle outfitting and processing, vehicle disposal, and providing vehicles with GPS units. The 2015 Climate Action Plan requires 20% of the sedan class to be operated by electric or plug-in hybrid by the end of 2020. CityFleet has surpassed this goal and is currently at 44%. The FY 2019-20 electrification goal is targeted at 47% with 50% targeted for FY 2020-21.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of sedans that are electric or plug-in hybrid	39%	44%	0	47%	50%
Percentage change in sedan class unleaded fuel use over the prior year	-5.00%	4.20%	0	-.50%	-.50%

## Explanation of Services

CityFleet is responsible for managing the City's vehicle and equipment replacement fund in a fiscally responsible manner. The City receives significant discounts on the purchase of vehicles and equipment through state and national level contracts awarded in a competitive bid process.

Vehicle life cycles are calculated using cost analysis data to identify the ideal time in the economic life cycle for replacement. Considering the age, mileage, and a mechanical assessment maximizes the use and resale of vehicles and equipment while keeping the operation and maintenance of vehicles and equipment at a minimum.

## Equity Impacts

CityFleet has a long-term goal of addressing racial equity and inclusion throughout the division's identity and culture. The New and Replacement Acquisitions Program supports this commitment through the 2017 City of Portland Electric Vehicle Strategy which creates mobility solutions that are equitable and empowering. Per the 2015 Climate Action Plan and Bureau of Planning and Sustainability's 2017 City of Portland Electric Vehicle Strategy, it has been determined that low-income populations and communities of color suffer disproportionately from vehicle-related air pollution. The CityFleet Motor Pool Program goals for reducing carbon emissions positively impact communities of color and lower incomes by improving air quality throughout the city.

## Changes to Program

Portland's Climate Action Plan specifies a goal to reduce transportation carbon emissions by 25% by 2020 and 40% by 2030. Additionally, Portland's Electric Vehicle Strategy ensures that the use of CityFleet sedans contributes to reducing carbon emissions, improving air quality, decreasing maintenance and operating costs, and increasing electric vehicle exposure to the public. Specific Climate Action Plan and EV Strategy Objectives that will impact the New and Replacement Acquisitions Program:

- Increase Fuel Efficiency of passenger vehicles to 40 miles per gallon
- Reduce Lifecycle Carbon Emissions of transportation fuels by 20%
- Reduce Carbon Emissions from City operations by 53% from fiscal year 2006-07 levels
- City EV Purchasing, Establishment of "electric first" purchasing policies that guide City Bureaus toward all-electric purchases when the use is consistent with available light duty vehicles.
- Clean Fuels Credits, which will become a credit generator in the Oregon Clean Fuels Program for City owned chargers.

CityFleet has met the one percent budget constraint through vacancy savings and improving efficiencies to continue current service levels.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	10,960,014	10,022,820	20,260,868	7,591,326
External Materials and Services	2,473,186	2,921,638	1,191,420	2,093,563
Internal Materials and Services	-103,406	-180,548	0	0
Personnel	1,167,616	1,039,831	1,012,607	934,512
<b>Fund Expense</b>				
Contingency	0	0	5,589,592	13,215,860
Debt Service	0	0	65,332	60,420
Fund Transfers - Expense	378,085	0	7,970	10,058
<b>Sum:</b>	<b>14,875,495</b>	<b>13,803,741</b>	<b>28,127,789</b>	<b>23,905,739</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	9.2	8.55	6	7.2
<b>Sum:</b>	<b>9.2</b>	<b>8.55</b>	<b>6</b>	<b>7.2</b>

**Resources:** This program is funded through interagency agreements with bureaus. The program includes the purchase of new and replacement vehicles, vehicle outfitting, coordination and installation of GPS units, and vehicle and equipment rentals and leases for bureaus. Costs for this program are recovered through markups on leases, GPS, and replacement and outfitting billings. The program also charges a replacement rate on vehicles to fund the cost of replacing vehicles at the end of their useful life.

**Expenses:** Primary expenses for this program include personnel and materials and services.

**Staffing:** This program contains 7.2 FTE

**Assets and Liabilities:** Excluding vehicles owned by the Water Bureau, the Bureau of Environmental Services, and Portland Fire & Rescue apparatus, all City vehicles are assets of the CityFleet Fund. Funds are collected to replace the vehicle and equipment when it has met its useful life.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Michael Roy

[https://www.portlandoregon.gov/](https://www.portlandoregon.gov/dam/33474)

**Website:** dam/33474

**Contact Phone** 503-823-4302

# CAO - CityFleet Maintenance and Repair

## Program Description & Goals

CityFleet maintenance and repair provides professional and technical municipal fleet vehicle services for approximately 3,600 units including 700 distinct types of vehicles and specialized equipment. Key services include maintenance and repair, parts acquisition, fuel station management for seven mission critical stations, and collision repair. The services are provided at seven maintenance facilities in addition to emergency roadside response. CityFleet is also responsible for end-of-lifecycle equipment decommissions.

Through high quality and technically skilled service delivery, CityFleet supports the City's goals of delivering efficient, effective, and accountable municipal services and the Office of Management & Finance strategies of developing an inclusive, talented workforce, leading Citywide initiatives, and adopting 21st century business solutions.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of vehicles meeting industry utilization standards	91%	97%	0	92%	90%

## Explanation of Services

CityFleet provides quality and timely preventive maintenance and repair to 3,300 different pieces of equipment ensuring that City bureaus are able to deliver important services to the residents of Portland.

**Dedicated and Specialized Service.** CityFleet provides City bureaus access to seven repair and maintenance facilities throughout the City. The technicians perform preventive maintenance, diagnosis, and repair on City-owned equipment. This results in greater equipment availability and reduced loss of production time so that Portland residents experience quicker completion on projects and work performed by our customer bureaus.

**Quality and Efficient Fleet Maintenance.** CityFleet provides a comprehensive preventive maintenance program to maximize vehicle and equipment availability and reduce repair costs. Other services provided are DEQ emission inspections, advanced diagnosis and repair of the continuously evolving technology and computer systems, and all other vehicle systems such as engines, transmissions, drive-trains, suspensions, HVAC, and brakes.

**A Reliable and Healthy CityFleet.** City bureaus rely on CityFleet services to keep fleet equipment in safe and mechanically sound operating condition. This allows for better bureau project planning and completion. Ultimately, CityFleet serves Portland residents by ensuring that required services are completed with the safest, most cost effective, environmentally responsible equipment possible. The division also recognizes its responsibility to the environment and applies a "green" lens to all of its work.

## Equity Impacts

CityFleet is an internal-facing program in which City bureaus are the direct customers. The area in which CityFleet Maintenance and Repair has the greatest impact on equity is through advancing equity goals through recruiting and hiring a talented and diverse workforce.

## Changes to Program

When technology evolves, so does CityFleet.

The greening of fleets: Climate change, harmful environmental effects of fossil fuels, and sustainability goals are a few of the driving forces behind the greening revolution. CityFleet's business approach is continuously evolving as alternative fuels and fueling systems are developed and introduced.

Refocused Training: As each new type of fuel system is introduced, CityFleet invests in training to assure that its technicians are kept informed and up to date. For example, in support of the "Poop to Power" initiative led by the Bureau of Environmental Services, technicians were trained on Compressed Natural Gas (CNG) tank certification, system maintenance, and repair.

CityFleet has met the one percent budget constraint through vacancy savings and improved efficiencies to continue current service levels.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
Capital Outlay	106,239	264,564	4,656,953	3,534,338
External Materials and Services	9,493,790	10,534,565	12,202,824	12,284,984
Internal Materials and Services	1,992,728	2,401,806	2,447,727	2,350,748
Personnel	6,744,605	6,883,173	8,256,934	8,028,657
<b>Fund Expense</b>				
Contingency	0	0	2,891,136	4,524,157
Debt Service	119,749	119,749	558,573	515,324
Fund Transfers - Expense	671,191	1,098,181	1,262,423	1,125,566
<b>Sum:</b>	<b>19,128,301</b>	<b>21,302,038</b>	<b>32,276,570</b>	<b>32,363,774</b>
	<b>2016-17 Actuals</b>	<b>2017-18 Actuals</b>	<b>2019 Revised Budget</b>	<b>2019-20 Request - V52 -No DP</b>
FTE	67.8	68.45	71	70.5
<b>Sum:</b>	<b>67.8</b>	<b>68.45</b>	<b>71</b>	<b>70.5</b>

**Resources:** The primary resources that support this program are interagency agreements with other City bureaus and intergovernmental agreements with external customers for services provided on a time and materials basis. CityFleet charges an hourly rate to bureaus when services are requested as part of an interagency agreement. CityFleet also applies a mark-up on vended work and parts and fuel for the staff time required to order and inventory these materials and services. The program relies entirely on billings for services provided to bureaus. It has no fixed revenue source.

**Expenses:** The primary expenses for the program include personnel costs, materials, and services to repair and maintain vehicles. Fund level expenses and administrative costs for CityFleet are included in the Maintenance and Repair program.

**Staffing:** CityFleet’s vehicle mechanics are allocated to the repair and maintenance program full-time. There are several operational staff that allocate part of their time to the repair and maintenance program as well.

**Assets and Liabilities:** The program’s major assets are its main Kerby Garage and six satellite locations around the City. Maintenance on the Kerby Garage has been deferred and the facility can no longer meet the needs of the program. A study is in place to address how best to address CityFleet’s facility needs. CityFleet manages seven fuel stations. Five of these stations need to be replaced. CityFleet has a capital program to replace these stations and construct new stations at the Jerome Sears facility in SW Portland and one on the eastside. The program is in the process of contracting with a vendor for four replacements and work is projected to occur in Summer 2019. The construction of the two new facilities will occur when the overall use of the Jerome Sears facility has been determined and a plan for an east side facility is developed.

**Program Information**

**Bureau:** Office of Management & Finance  
[www.portlandoregon.gov/dam/33474](http://www.portlandoregon.gov/dam/33474)

**Program Contact:** Michael Roy

**Website:** dam/33474

**Contact Phone** 503-823-4302

# CAO - CityFleet Motor Vehicle Pool

## Program Description & Goals

Portland's CityFleet Department operates a motor vehicle pool available to all City employees. The vehicle pool is designed to meet short-term transportation needs for various customers while maximizing the use of the vehicles. The performance of the vehicle pool is measured by monitoring vehicle use compared to industry standards, and by achieving City carbon emission reduction goals.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of vehicles meeting industry utilization standards	91%	97%	0	92%	90%
Percentage of sedans that are electric or plug-in hybrid	39%	44%	0	47%	50%
Percentage change in sedan class unleaded fuel use over the prior year	-5.00%	4.20%	0	-.50%	-.50%

## Explanation of Services

CityFleet is responsible for providing safe, reliable, cost-effective, and compliant transportation services that support City functions requiring vehicles and equipment. The motor pool exists to provide transportation solutions to bureaus, divisions, departments, and individuals that require occasional use.

The vehicle pool consists of 32 vehicles, including bicycles, sedans, minivans, and compact pickups. Vehicle pool use is monitored through the Key Valet software application which is used for scheduling and reporting reservations. All other motor pool vehicle performance measures including utilization, vehicle type (e.g., hybrid and electric), and fuel types are tracked through the Fleet Anywhere vehicle management software.

## Equity Impacts

CityFleet has a long-term goal of addressing racial equity and inclusion throughout the division's identity and culture. The New and Replacement Acquisitions Program supports this commitment through the 2017 City of Portland Electric Vehicle Strategy which creates mobility solutions that are equitable and empowering. Per the 2015 Climate Action Plan and Bureau of Planning and Sustainability's 2017 City of Portland Electric Vehicle Strategy, it has been determined that low-income populations and communities of color suffer disproportionately from vehicle-related air pollution. The CityFleet Motor Pool program goals for reducing carbon emissions positively impact communities of color and lower incomes by improving air quality throughout the city.

## Changes to Program

Portland's Climate Action Plan specifies a goal to reduce transportation carbon emissions by 25% by 2020 and 40% by 2030. Additionally, Portland's Electric Vehicle (EV) Strategy ensures that the use of CityFleet sedans contributes to reducing carbon emissions, improving air quality, decreasing maintenance and operating costs, and increasing electric vehicle exposure to the public.

Specific Climate Action Plan and EV Strategy Objectives that will impact the vehicle pool program:

- Increase Fuel Efficiency of passenger vehicles to 40 miles per gallon
- Reduce Lifecycle Carbon Emissions of transportation fuels by 20%
- Reduce Carbon Emissions from City operations by 53% from FY 2006-07 levels
- City EV Purchasing: Establishment of "electric first" purchasing policies that guide City bureaus toward all-electric purchases when the use is consistent with available light-duty vehicles
- Clean Fuels Credits, which will become a credit generator in the Oregon Clean Fuels Program for City-owned chargers

CityFleet has met the one percent budget constraint through vacancy savings and improving efficiencies to continue current service levels.

## Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
<b>Bureau Expense</b>				
External Materials and Services	0	0	51,854	97,165
Internal Materials and Services	71,894	73,481	0	0
Personnel	0	0	0	32,394
<b>Fund Expense</b>				
Debt Service	0	0	0	2,117
Fund Transfers - Expense	3,364	0	0	352
<b>Sum:</b>	<b>75,258</b>	<b>73,481</b>	<b>51,854</b>	<b>132,028</b>
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	0	0	0	0.3
<b>Sum:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.3</b>

**Resources:** The motor vehicle pool is funded by interagency agreements with City bureaus. Users are charged the hourly or daily rate based on the length of their reservation for the vehicle.

**Expenses:** Primary expenses to run the program include personnel services, repair and maintenance, accident insurance, and expenses to run the Key Valet software application. Funds are also used for future vehicle replacements.

**Staffing:** Staff members provide support in three main areas of the operation: point of use customer service, hardware and software technical support, and monthly billing to the end user.

**Assets and Liabilities:** The motor vehicle pool consists of 32 vehicles including bicycles, sedans, minivans, and compact pickups. These vehicles are on a replacement plan scheduled when the vehicle is no longer operational or has depreciated past its life expectancy.

### Program Information

**Bureau:** Office of Management & Finance

**Program Contact:** Michael Roy

<https://www.portlandoregon.gov/dam/47985>

**Website:** dam/47985

**Contact Phone** 503-823-4302

**Issue Title:** Appropriate staffing levels for reconstructed Portland Building

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF

**Issue Overview and Desired Goal/Outcome(s):**

The Portland Building reconstruction project will result in programmatic additions and changes, and additional building maintenance requirements. It is critical that we maintain this investment with appropriate staffing levels for the service levels required in the new building. This should achieve a proactive asset management approach.

This includes administration of the standardized furniture program, many additional large conference rooms, event spaces, and common areas, kitchens, the micro-market, the fitness center, and all associated furnishings, equipment, and appliances. Staffing will likely include a Program Coordinator to administer these programs, supported by Utility Workers, a Dispatcher on the first floor reception area, and additional Facilities Maintenance Technicians.

**Desired Funding Options:** Ongoing increase in Facilities Services rental rates

**Additional Requests/Notes:**

*The Building Program Coordinator and Dispatcher were recently approved as limited term positions in the Fall BMP. This request would convert them to permanent.*

**Issue Title:** Portland Building appliances and furniture replacement

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF

**Issue Overview and Desired Goal/Outcome(s):**

The reconstructed Portland Building will have much more furniture and appliances as a result of more shared spaces in the building and more employees. Furniture and appliances will be standardized throughout the building. Furniture includes the system of work spaces employees will work in. As a result, there is a need to have the furniture and appliances managed centrally by DAM-Facilities. In the past bureaus purchased, managed and replaced their own furniture and appliances, but without dedicated funding sources and systematic and coordinated plans.

This package would fund an annual allocation for replacement and allow the furniture and appliances to be replaced on regular cycles to prevent them from becoming obsolete, costly to maintain, or subject to breakdown. Funding replacement of furniture and appliances will be critical to the continued success of the reconstructed building.

The response to this direction should provide scalable options for increases in Facilities Services rental rates that would achieve different levels of savings.

**Desired Funding Options:** Ongoing increase in Facilities Services rental rates

**Additional Requests/Notes:**

**Issue Title:** Portland Building technology operations, maintenance, and replacement

**Commissioner(s) Issuing Direction:** Mayor's Office

**Bureau Directed:** OMF

**Issue Overview and Desired Goal/Outcome(s):**

In the Fall BMP Council approved adding a technology package to the scope of the Portland Building reconstruction project. The project has three components. These include audio/visual technologies for meeting rooms, a meeting room scheduling system, and a digital signage system.

This package would fund the ongoing operations, maintenance and replacement associated with these three technologies. Included in these costs are two positions which would be in BTS, but charged to DAM – Facilities, to maintain the systems. An annual allocation for funding replacement will allow these systems to be replaced on regular cycles and prevent them from becoming obsolete. Funding of the ongoing operations, maintenance, and replacement associated with these three technologies will be critical to their continued success in the reconstructed building.

The response to this direction should provide scalable options for increases in Facilities Services rental rates that would achieve different levels of savings.

**Desired Funding Options:** Ongoing increase in Facilities Services rental rates

**Additional Requests/Notes:**

**Issue Title:** Childcare center in City facilities

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF

**Issue Overview and Desired Goal/Outcome(s):**

It has always been envisioned that the Child Development program would relocate back into the Portland Building. During the Council session in which the lease agreement for the Crown Plaza space was approved, the concept was reiterated at that time and enthusiastically supported by Council. The development of the conceptual designs and construction documents for the SE corner of the reconstructed building have always included a childcare center. But, the programming was just to construct the shell for the space, not the tenant improvements. This package will fund the construction of the tenant improvements. Design costs were funded in the Fall BMP. The second center at Crown Plaza will assist the City in meeting the current demand for childcare by city employees.

The response to this direction should respond to lines of inquiry:

- Do we still need two childcare locations?
- Should both locations be located downtown?
- What are the consequences to reducing to one location?
- If we only have one childcare location, should that one location be at Crown Plaza or in the Portland Building?

**Desired Funding Options:** One-time general fund

**Additional Requests/Notes:**

**Issue Title:** Facilities Security Manager

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF

**Issue Overview and Desired Goal/Outcome(s):**

Providing safe and secure facilities for employees and the public is part of Facilities Services' core mission and a basic service level expectation of building occupants. A Facilities Security Manager would oversee the daily operations of security services for OMF-managed facilities, advises City leaders on near-term and emergent security threats, and develops security strategy, policy, plans, and procedures. The manager also would conduct security-related investigations including workplace violence, thefts, and vandalism.

**Desired Funding Options:** Ongoing increase in Facilities Services corporate rate charges and rental rates

**Additional Requests/Notes:**

*The Facilities Security Manager position has been filled for the last 1.5 years as a temporary appointment (Dorothy Elmore) and is set to expire in April 2019. A limited-term position was recently approved in the Fall BMP to extend this through June 2019. This request would convert it to permanent.*

**Issue Title:** Fourth and Montgomery Building cash funding requirements

**Commissioner(s) Issuing Direction:** Mayor Wheeler

**Bureau Directed:** OMF

**Issue Overview and Desired Goal/Outcome(s):**

The FY 2018-19 Adopted Budget included a budget note where Council directed OMF to fund the FY 2018-19 cash contribution and financing requirements for the Fourth and Montgomery (formerly Jasmine Block) project from Facilities Services Operating Fund reserves. Then upon Council approval of the development agreement and finalization of the downtown core tenancy study directed by Resolution 37274, OMF would request reimbursement from the appropriate tenant fund.

The development agreement and tenancy study have been finalized and the Bureau of Planning and Sustainability has been recommended as the tenant of the building.

Therefore, OMF is requesting from the General Fund in the FY 2019-20 budget process \$2,622,950 for the cash funding requirements of the project. This includes funding for the City's 5% cash contribution requirement to the project and interim financing costs.

**Desired Funding Options:** One-time General Fund allocation of \$2,622,950

**Additional Requests/Notes:**

**Issue Title:** Citywide 311 Program

**Commissioner(s) Issuing Direction:** Mayor Wheeler, Commissioner Eudaly

**Bureau Directed:** Office of Management & Finance, Office of Community and Civic Life

**Issue Overview and Desired Goal/Outcome(s):** In FY 2017-18, Council approved a decision package for “311 project management and implementation” and directed the OMF to oversee the planning effort. The project team, led by OMF’s Strategic Projects & Opportunities Team (SPOT), has recently completed a 311 Implementation Plan that recommends a Citywide 311 Program – to be created through a multi-year implementation process.

The goals of the Citywide 311 Program are 1) to advance the City’s efforts to provide equitable, high-quality information and services to all community members, businesses and visitors online, over the phone and in-person at City buildings and 2) to provide valuable data and insights into the community’s needs and interests, allowing Bureaus and City Council to make more informed service and communication decisions. In addition, the program will provide information and referral services for other local government, community and social services, including vital and time sensitive public notification in emergency and disaster.

In the first implementation phase (FY2019-20), key elements to successfully establish the full Citywide 311 Program include:

- a) Launching the Customer Service function to staff a new citywide customer service and reception desk at the Portland Building (scheduled to open in December 2019). The Citywide 311 Program’s Customer Service staff will help community members find information, report issues, and request City services.
- b) Scoping the business needs and technical requirements for a customer relationship management (CRM) or service desk tool as well as a new webform solution to support service delivery.
- c) Continued project management for the implementation process.

To achieve these foundational outcomes and support the ongoing work needed to fully implement the Citywide 311 Program, OMF and Civic Life are directed to develop a budget proposal to implement the first phase of the Citywide 311 Program in FY 2019-20.

**Desired Funding Options:** Options to utilize existing revenues, as well as to request additional resources as necessary. The existing Information & Referral Program (I&R), which would be incorporated into the Citywide 311 Program, is funded through General Fund Overhead, a General Fund ongoing allocation, and an Interagency Agreement with Multnomah County.

**Additional Requests/Notes:**

**DP: 7532 - GFCSA - Justice Center Elevator**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

This package modernizes all three original elevators at the Justice Center, which serve over 300 Police Bureau employees. The two passenger elevators and single freight elevator have undergone minimal upgrades in the 35 years since they were installed and are obsolete. The elevators are frequently out of service and experience a high rate of entrapments.

The control boards were last upgraded in 2006 and the mechanical hardware is original. The controls and other key components are now obsolete. The elevators are widely considered to be unreliable and hinder Justice Center operations because of decreased service capacity resulting from incessant multiple failure types including:

- Sporadic daily failures varying from jammed doors, premature door opening, and non-response.
- One or more of the elevators are frequently out of service causing delays and preventing employee participation in critical job functions, many of which are related to public safety response.
- Frequent entrapments.

**Service Impacts**

The project will increase service capacity while reducing operating and maintenance costs. It will also improve the safety of employees and visitors to the building by reducing the number of entrapments.

This project has been postponed multiple times and is past due in its need due to lack of reserves available in the Major Maintenance fund for the Justice Center. If this is not approved, the project would still need to move forward and would spend down the Major Maintenance fund to be in the red and continue to be in the red for the coming years. This impact would then delay completion of other necessary major maintenance projects planned for the City as well as shared spaces with Multnomah County, including potentially impacting the replacement of the generator, which is a critical building system for this building.

**Equity Impacts**

The work will be contracted through our equity in contracting processes at the city to support the use of certified firms and companies and encourage a more diverse workforce in construction.

The elevators will also improve accessibility to the building.

Budget Detail						
Fund	Major Object Name	2019-20 Request - V52 with DP Expense	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
701000	Capital Outlay	2,900,000	0	0	0	0
		<b>2,900,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
Fund	Major Object Name	Revenue				
701000	Fund Transfers - Revenue	2,900,000	0	0	0	0
		<b>2,900,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**DP: 7616 - GFCSA - City Hall Balcony Railin**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

The City Hall council chambers' balcony railing height is not up to code and employees and visitors are subject to risk of a fall. The risk has been mitigated by removing the first row of benches and roping off the area. This reduces the capacity of the balcony by approximately 40 people and negatively impacts the aesthetics of council chambers. This project will design, fabricate, and install a new barrier that meets code, allows for an unimpeded view, and conforms to aesthetic standards for this historic space.

**Service Impacts**

The closure of the first row negatively impacts the viewing experience for visitors and reduces the capacity of Council Chambers. Additionally, once remedied the balcony will be able to safely accommodate up to 4 additional wheelchairs on either end of the first row while providing an advantageous view to those individuals.

The project addresses a human health and safety issue and associated financial risk to the City while expanding capacity and utility of an existing asset.

**Equity Impacts**

Replacement of the railing expands the balcony's and council chambers' capacity to serve all Portlanders while also providing additional capacity and better viewing opportunities for those who require the use of wheelchairs. This contract will also be procured utilizing our equity in contracting goals and processes.

**Budget Detail**

Fund	Major Object Name	2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
		<b>Expense</b>				
701000	Capital Outlay	250,000	0	0	0	0
		<b>250,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>Revenue</b>				
701000	Fund Transfers - Revenue	250,000	0	0	0	0
		<b>250,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**DP: 7618 - Technology Operations, Maintenance, and**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

In the FY 2018-19 Fall BMP, Council directed the Portland Building reconstruction project to add the first implementation of the Citywide Technology project for AV, digital signage, and a room scheduling system, into the \$195 million allocated to the Portland Building Reconstruction project. As with Space Optimization, the first roll out will be in the Portland Building, but the program is intended to roll out to future buildings with the 4th & Montgomery Building likely receiving the next roll out. In the future, the meeting room scheduling system will be implemented within all shared meeting rooms, including those at City Hall and 1900 building. System implementation within other City facilities will make reserving rooms easier and enhance management of the rooms.

This package would fund the ongoing operations, maintenance, and replacement associated with these three technologies. Included in these costs are two technology services employees, that would be charged to and housed in OMF Facilities Services, to maintain the systems. These positions would provide technical support for staff and the public who are utilizing the meeting rooms and ensure the systems are kept current and functional. An annual allocation for funding replacement will allow these systems to be replaced on regular cycles and prevent them from becoming obsolete. Funding of the ongoing operations, maintenance, and replacement associated with these three technologies will be critical to their continued success in the reconstructed building.

Increases to Portland Building IA rates in FY 2019-20 and then the blended downtown office space IA rates in FY 2020-21 will provide the funding for these costs.

This package is somewhat scalable in that the length of the replacement cycles could be adjusted.

**Service Impacts**

The audio/visual technologies for meeting rooms project will install a standardized and highly reliable suite of audio/visual technologies in most meeting rooms on all floors of the Portland Building. The technologies will allow the City to make the best use of its shared meeting rooms and allow these rooms to complement the other spaces in the building to which employees will have access. Technologies will also be available in rooms open to the public. The technologies will support an array of meetings with a small set of options, including some with video conferencing capabilities.

The room scheduling system project includes the hardware and software to track, manage, and report on the usage and availability of rooms within a facility or group of facilities. With significantly more conference rooms available to bureaus, searching for a room with the specific needs for each meeting becomes a challenge and a time constraint. The system will provide room usage data to help inform operators, users, and schedulers. The primary benefit to users is a fast, efficient way to find a conference room or similar room with the needed setup and amenities, in a shared, distributed-room environment.

The digital signage system project includes the hardware and software to present static or real-time information to viewers. The system can present specific messages or provide status information to a broad group of viewers, including the public and City employees. A digital signage system is an effective, nimble method of communicating information to a variety of users yet requires management to ensure the content is kept up to date and relevant.

This package will fund the operations and maintenance costs, including two new positions, that will ensure the technology in the Portland Building is functioning and meets the needs of building tenants and visitors. Previously, bureaus have provided their own AV technology in their conference rooms and typically did not plan for a regular replacement cycle or technical support. This resulted in an array of offerings and was challenging for staff to use and rely on. Now that all the conference rooms are shared, this function is being centralized into Facilities Services and the funding support to ensure continued service to bureaus is critical.

This package will provide a regular replacement program for the technology in the reconstructed Portland Building, and in other City facilities in the future. It assumes the technologies will be replaced on an average of every seven years to allow technology to be replaced when broken and can no longer be repaired or is obsolete.

Having a stable level of functional technology maintained in good condition will greatly benefit staff and visitors, while minimizing productivity loss to employees.

**Equity Impacts**

The impact of not funding this package will result in new technologies that go into disrepair due to lack of maintenance and support. Technology would eventually become obsolete with no dedicated funding source for replacement, resulting in inefficient work processes for City staff.

**Budget Detail**

	2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
<b>Fund</b>					

Decision Package Summary

Details

Budget Detail

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
701000	Contingency	311,928	0	0	0	0
701000	Internal Materials and Servic	467,072	0	0	0	0
		<b>779,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
701000	Interagency Revenue	779,000	0	0	0	0
		<b>779,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**DP: 7636 - Six new positions for the reconstructed**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

The Portland Building reconstruction project will result in programmatic additions and changes, and additional building maintenance requirements. Facilities Services has identified the need for six additional positions to meet the service levels required of the new building. A Facilities Dispatcher and two Facilities Maintenance Technicians will provide services to the Portland Building.

Dispatch is the “switchboard” for Facilities Services and helps guide the work of approximately 20 facilities maintenance technicians (FMT) and utility workers. Dispatch is also the “face” of facilities, responsible for fielding dozens of customer requests each day from a variety of sources including walk-ups, phone, email, and web-based requests. The group issues access cards and access privileges to City employees, vendors, and guests. They schedule and coordinate the daily work of the technicians and utility workers depending on demand workorder prioritization, preventive maintenance schedules, and ad hoc requests or special needs that arise on a daily basis. They respond to information requests or follow-ups from facilities management and staff, building coordinators, and thousands of other City staff. Customer demands received by Dispatch run the gamut, but generally fall into the following ten categories:

- Door/key/access issues
- Electrical/lighting
- HVAC and heating/cooling
- Elevators
- Theft/vandalism
- Plumbing
- Furniture, interior furnishings, and moves
- Building exterior, landscaping, pest
- Custodial
- Building interior

Dispatch is also responsible for extensive administrative functions, including:

- Maintaining access card records
- Assisting with the timekeeping for the FMTs
- Editing, researching, assigning, and terminating demand and preventive maintenance workorders that require manual intervention
- Maintaining large conference room schedules and sending out room schedule reports to security on a daily and weekly basis

Due to inadequate staffing, Dispatch is frequently a bottleneck in the process of resolving customer requests. Demands are expected to continue to increase significantly as client bureaus bring on more staff (and the space required to accommodate them), leading up to and following the move back into the Portland Building in 2019, and as Facilities designs and develops its performance management and asset management programs in FY 2018-19 and FY 2019-20. The Dispatcher position will also help support the business requirements planning and implementation of a new workorder system.

Two additional Facilities Maintenance Technicians (FMTs) are also requested to perform preventive and corrective maintenance on building systems in order to keep the building comfortable, safe, and in good repair.

The Portland Building consumed 1.9 FTE worth of FMT time prior to its closure in 2017 and had a preventative maintenance completion rate of only 50%, a shortfall of 1,500 hours. This led to the deterioration of building systems, which ultimately contributed to an early major reconstruction project for the building. A detailed analysis of mechanical, electrical, and plumbing systems in the reconstructed building shows that 3,000 hours of FMT time are required to meet all preventive maintenance tasks. Corrective and demand building client requests will require 2.0 additional FTE to provide reasonable turnaround times averaging 10 business days, for a total of 4.0 FTE assigned to the building.

This represents just under 100,000 square feet per technician, which is just within the range of industry accepted practice but still approximately twice the International Facilities Maintenance Association (IFMA) member average.

Three other positions are requested for the administration of the standardized furniture program, many additional large conference rooms, event spaces, and common areas, kitchens, the micro-market, the fitness center, and all associated furnishings, equipment, and appliances. A Program Coordinator will administer these programs and will be supported by two Utility Workers. Many of these services will also be provided to City Hall, 1900 Building, and the 4th and Montgomery Building when it comes online.

**Service Impacts**

Facilities Services currently employs two dispatch personnel who are responsible for fielding customer web-based requests, phone calls, in-person requests for access cards or access changes, elevator entrapments or malfunctions requiring immediate response, answering technicians' questions about workorders and directing them to urgent calls, and management requests for information.

Dispatch experiences approximately 100-200 customer contacts per day. Walk-ups and phone calls requiring immediate attention make up 50% of contacts and occur primarily in the morning hours for a rate of approximately 10-20 per hour, or one every 3-6 minutes. Daily customer contacts generally break down by medium as follows:

- Email: 50-100 (25-50 per person per day)
- Phone: 30-50 (15-25 per person per day)
- Walk-up: 20-40 (10-20 per person per day)
- Web: 5-10 (3-5 per person per day)

This does not include internal communications with Facilities staff to initiate or follow-up on customer requests.

With only two staff members working overlapping shifts, there are currently six business hours each day where only a single dispatcher is available. Break and lunch coverage when a staff member is absent for training, vacation, illness, etc. requires coverage by the supervisor, who has nearly 20 other employees to manage including FMTs, FMT Apprentices, and Utility Workers. Additionally, the recent loss of temporary dispatch staffing has resulted in scaling back business hours from 6pm to 5pm and any absence requires Dispatch to open late (8am vs. 6:30am) or close early (3pm vs. 5pm). Lastly, additional personnel shortages for Sixth+Main 5th floor reception either requires the FMT Supervisor to staff the reception desk, or routes reception traffic around the corner to Dispatch, which is already understaffed.

An additional Dispatcher/Scheduler will enable Facilities Services to provide adequate coverage during regular business hours and ensure that customer requests are responded to in a timely manner.

The Coordinator will direct Facilities staff to ensure the timely set-up, tear-down, and cleaning of meeting and event spaces to meet the specific needs of internal and external customers. The Coordinator will be available to assist and consult with customers with their meeting/event space planning needs and will coordinate a timely response to issues that arise in the course of meetings and events. The Coordinator will be the key point of contact for customers, facilities services maintenance, BTS, security, janitorial, and others to ensure the smooth operation of these spaces.

The Coordinator will enable Facilities Services to ensure that Portland Building tenant furniture needs are met in a timely manner. The position will be responsible for development and continuous improvement of related business processes and will direct Facilities utility workers in responding to client furniture requests.

Both of these functions have historically been the responsibility of individual bureaus to manage their own furniture, equipment, supplies, and meeting spaces. The new programs centralize these services in an effort to make them available and consistently accessible to all bureaus, to optimize our space use, and ensure our assets are appropriately managed, maintained, and replaced in timely, effective, and cost-efficient ways.

The addition of Utility Workers for the Portland Building is necessary for Facilities Services to meet the service level expectations of new Portland Building programs. The addition will also expand on a successful Utility Worker pilot, reduce cost and wait times for our customers, and improve customer satisfaction related to minor demand requests from tenants. It will also free up FMT hours, which will be redirected to the reduction of Facilities Services' preventive maintenance backlog on approximately 30 OMF-owned and -managed buildings and allow them to ensure that our City assets are maintained to a level to prevent premature replacement of systems. This position reduces long term costs by better matching skills with tasks.

Additionally, as with previous Utility Worker recruitments, Facilities Services will reach out to under-represented communities to support a diverse candidate pool. Successful candidates will partner with FMTs to learn the trade and advance their skillsets. This aligns with the bureau's racial equity plan and the City's racial equity goals.

**Equity Impacts**

Budget Detail							
Fund	Major Object Name	Expense	2019-20 Request - V52 with DP	2019-20 CBO Recommended-V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
701000	Contingency		178,911	0	0	0	0
701000	External Materials and Servi		60,000	0	0	0	0
701000	Personnel		803,491	0	0	0	0
			<b>1,042,402</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>					
701000	Interagency Revenue		1,042,402	0	0	0	0
			<b>1,042,402</b>	<b>0</b>	<b>0</b>		<b>0</b>

**Decision Package Summary**

Run Date: 1/31/19

Details

Run Time: 4:33:44 PM

**Budget Detail**

<b>Fund</b>	<b>2019-20 Request - V52 with DP</b>	<b>2019-20 CBO Recommended- V53</b>	<b>2019-20 Proposed-V53</b>	<b>2019-20 Approved - V54</b>	<b>2019-20 Adopted - V55</b>
	0	0	0		0

**Position Detail**

<b>Job Class - Name</b>	<b>FTE</b>	<b>Salary</b>	<b>Supplemental</b>	<b>Benefit</b>	<b>Total</b>
30000071 - Facilities Maintenance Technician	2.00	146,370	0	66,754	224,321
30000076 - Utility Worker I	2.00	104,124	0	57,249	169,339
30000711 - Facilities Maint Dispatch/Scheduler	1.00	49,067	0	27,951	80,771
30003028 - Coordinator II	1.00	76,045	0	34,020	115,883
<b>Total</b>	<b>6.00</b>	<b>375,606</b>	<b>0</b>	<b>185,974</b>	<b>590,314</b>

**DP: 7637 - Portland Building appliances and furnitu**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

Historically, bureaus have owned, managed, and maintained their own furniture, equipment, and supplies to support their employees and the work they do. This was done without dedicated funding sources and coordinated plans.

The Space Optimization project launched a new, centralized approach and the first deployment will be in the reconstructed Portland Building. As a result, Facilities Services is introducing a program to support this new function. The intent of the standardization and centralization is to save funding over time as furnishings will be easily managed with fewer variables to manage. This package would implement an ongoing, centralized, replacement fund and will be tracked over time. A second implementation is expected at 4th and Montgomery.

This package would fund an annual allocation for replacement and allow the furniture, equipment, and supplies to be replaced on regular cycles to prevent them from becoming obsolete, costly to maintain, or subject to breakdown. Funding replacement of furniture, equipment, and supplies will be critical to ensure employees are adequately supported to do their work, public areas are maintained in a clean and safe way, and the City's investment in their assets is maintained appropriately. Creating this reserve fund will also help limit future capital requests for large purchases and will help the City financially prepare for a known future need.

Increases to Portland Building IA rates in FY 2019-20 and then the blended downtown office space IA rates in FY 2020-21 will provide the funding for these costs.

The Portland Building scope includes:

- Workspace furniture and components from the standard kit of parts for approximately 1,700 City staff in the Portland Building.
- Gathering rooms and kitchens on floors 4-14
- 15th floor employee support space
- Fitness center equipment and fixtures
- Conferences rooms
- Focus rooms
- Lactation and Wellness rooms
- Public and bureau open space areas

This package is somewhat scalable in that the length of the replacement cycles could be adjusted.

**Service Impacts**

This package provides a regular replacement program for the furniture, equipment, and supplies in the reconstructed Portland Building. It assumes replacement of furniture and appliances on an average of every 10 years. This implies that furniture can be replaced when it is broken and can't be repaired or when it is functionally obsolete. Equipment will be replaced when broken and it is more cost effective to replace than repair. Having a stable baseline of furniture and equipment in good condition will greatly benefit tenants, while minimizing productivity loss to employees. Not funding this request will result in a lack of funding for furniture repair and replacement. A lack of funds will produce a decline in resources for employee workspaces and insufficient support for City bureaus and their space needs. The City can anticipate a large capital ask when furniture reaches the end of its useful life and there are no funds to replace it.

**Equity Impacts**

Facilities Services is committed to procuring contracts related to this work in an equitable way and will follow all equity in contracting rules and guidelines.

Budget Detail						
Fund	Major Object Name	2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
		<b>Expense</b>				
701000	Contingency	1,211,527	0	0	0	0
		<b>1,211,527</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>Revenue</b>				
701000	Interagency Revenue	1,211,527	0	0	0	0
		<b>1,211,527</b>	<b>0</b>	<b>0</b>		<b>0</b>

**Decision Package Summary**

Details

**Budget Detail**

<b>Fund</b>	<b>2019-20 Request - V52 with DP</b>	<b>2019-20 CBO Recommended- V53</b>	<b>2019-20 Proposed-V53</b>	<b>2019-20 Approved - V54</b>	<b>2019-20 Adopted - V55</b>
	0	0	0		0

**Decision Package Summary**

Run Date: 1/31/19

Details

Run Time: 4:33:44 PM

**DP: 7638 - Second childcare center in Portland Buil**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

During the Council session in which the lease agreement for the Crown Plaza space was approved, the concept of a second childcare opening at the Portland Building was reiterated and enthusiastically supported by Council. The development shell space for a future daycare project in the northeast corner of the reconstructed building has always been in the project scope. The tenant improvements related to the daycare were always scoped as a separate future project and was originally envisioned to be completed by the Bureau of Human Resources, who manages the daycare and runs the daycare program, and built out the previous two daycares (the first in the Portland Building and the second one at Crown Plaza). A decision has been made to move the build-out tenant improvement financial responsibility instead to Facilities Services. This package will fund the construction of the tenant improvements. Design costs were funded in the Fall BMP . The existing center at Crown Plaza will assist the City in meeting the current demand for childcare by City employees.

The project will be debt financed over a seven-year term. The cost of this package will be the amount for debt service (\$374,000) and operations and maintenance (\$58,000). Increases to Portland Building IA rates in FY 2019-20 and then the blended downtown office space IA rates in FY 2020-21 will provide the funding for these costs. The package also includes the bond sale proceeds to fund the project and the capital costs to construct the center.

**Service Impacts**

A second center will create much needed capacity to meet the demand for childcare services for both employees' children and children of the public who work downtown as well.

Currently, there are 68 children of City employees at the current center and a total of 108 on the current waiting list . The new center will have capacity for an estimated 55-60 children. Many parents enroll more than one child. City demographics show many City employees retiring over the next five years, and new hires may continue to increase the demand. An additional childcare center therefore supports the Employer of Choice initiative and is a benefit to potential employees as the City aims to attract and retain a diverse and skilled workforce. It is also a benefit to the public as the childcare centers enroll additional children when capacity is available for additional students beyond the employee pool.

**Equity Impacts**

The construction of the daycare will follow all equity in contracting practices to support certified firms and contractors and a diverse workforce.

**Budget Detail**

Fund	Major Object Name	2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
701000	Capital Outlay	2,406,703	0	0	0	0
701000	Contingency	-120,335	0	0	0	0
701000	Debt Service	420,043	0	0	0	0
701000	External Materials and Servi	58,000	0	0	0	0
		<b>2,764,411</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
701000	Bond & Note Proceeds	2,332,095	0	0	0	0
701000	Interagency Revenue	432,316	0	0	0	0
		<b>2,764,411</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**DP: 7639 - Facilities Building Security Manager**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

Providing safe and secure City facilities for employees and the public is part of Facilities Services' core mission and a basic service level expectation of our building tenants. This decision package creates a Senior Program Manager position within Facilities Services to oversee contracted security services for OMF-managed facilities and advance the City's integrated security program. The City of Portland's Security Manager is responsible for supervising and managing the day to day operations of a specialized security contractor. This position is responsible for long-range security planning, developing security policies and procedures, workplace violence investigations, and management and approval of security contractor budget and work invoices as well as oversight of security management systems and installations.

In addition to day-to-day oversight of Facilities Services' security infrastructure, the Security Manager is responsible for the following:

- Provides information and assistance to elected officials and their staff, bureau directors, and other City leaders in the areas of strategic, emergent, and organizational security planning.
- Plans, organizes, and evaluates security functions for all OMF owned and/or operated facilities, to include buildings that have 24/7 operational responsibilities.
- Partners with Police, the District Attorney's Office, the City Attorney's Office, Water Bureau, Parks Bureau, and other agencies to achieve a consistent level of surveillance to ensure the continuous safety and security of City employees, facilities, visitors, and assets.
- Manages and directs the work of subordinate supervisors and staff; monitors security facilities resources against a variety of potential security threats and issues such as active shooter, workplace violence, protests and civil unrest, destruction of property, theft, vandalism, contaminations, medical emergencies, fires, and elevator entrapments.
- Leads building security related investigations including but not limited to the following:

- o Suspicious activities
- o Medical and non-medical emergencies
- o Workplace threats/disruptions
- o Workplace violence
- o Civil unrest and protests
- o Theft and vandalism
- o Fire

- The Manager will also arrange for security escorts for troubled individuals and develop tailored workplace safety plans for employees who are under the threat of workplace violence.
- Manages contracts and vendor relationships of building security services for OMF-owned buildings and additional buildings where Facilities has assumed responsibility for security. Security services currently employs 40 security officers with an annual contract value of approximately \$2 million. This position periodically issues requests for proposals and manages vendor selection and contracting processes according to applicable policies and laws. Contracts for these services are large and complex and involve the provision of essential services on a daily basis to several City facilities with a wide variety of uses and security needs. This position performs regular performance reviews and ensures that contracted services are being performed in accordance with contract terms and performance standards.

**Service Impacts**

Decision Package Summary

Year to date as of December 2018, the security team has responded to the following:

- 39 situations requiring police/fire response
- 26 arrests
- 7 staff assaults
- 44 trespass, vandalism, property damage and theft
- 7 protests
- 34 building alarms
- 2,420 requests for escort
- 101 elevator malfunctions/entrapments
- Over 100 other issues

Aside from the immediate response required, for those events requiring investigation, the Security Manager must interview witnesses, understand what happened, identify root causes, and prevent recurrence. Investigations can take anywhere from a few hours to weeks to conclude. Prior to the hire of a limited term security manager in April 2017, G4S security did not conduct investigations because it was outside of the scope of the contract. Since the hire of the Security Manager the following investigative cases have been completed:

- 2017 – 2 investigative cases completed: workplace violence, threats
- 2018 – 14 investigative cases completed: theft, vandalism, threats/harassment, workplace violence, trespass, assaults

Previously, the position responsibilities were performed by the Operations & Maintenance Manager or a temporary employee, which was not sustainable and did not provide the background and expertise needed for creating a secure environment for the City's property, employees, and public protection in City-owned facilities. The essential security services procured and managed by this position impact every City facility that OMF manages, additional facilities which OMF-facilities has been given security responsibility for, and every employee and member of the public who use those facilities. Without this position and the dedicated oversight of the security program that it affords, the City risks service degradation and interruptions. In August 2018, as an indication of broad-based support, the position was endorsed for hiring in the Fall BMP by the Citywide Security Stakeholder Steering Committee.

**Equity Impacts**

Budget Detail						
Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	Major Object Name	Expense				
701000	Contingency	92,673	0	0	0	0
701000	External Materials and Servi	10,000	0	0	0	0
701000	Personnel	127,998	0	0	0	0
		<b>230,671</b>	<b>0</b>	<b>0</b>		<b>0</b>
	Major Object Name	Revenue				
701000	Interagency Revenue	230,671	0	0	0	0
		<b>230,671</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

Position Detail						
Job Class - Name	FTE	Salary	Supplemental	Benefit	Total	
30003029 - Coordinator III	1.00	85,354	0	36,115	127,998	
<b>Total</b>	<b>1.00</b>	<b>85,354</b>	<b>0</b>	<b>36,115</b>	<b>127,998</b>	

**Decision Package Summary**

**DP: 7640 - Fourth and Montgomery Building cash fund**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

The 4th and Montgomery project is a joint project with PSU, OHSU, and PCC. It has been approved by Council, is under design, and broke ground at the beginning of 2019.

The development agreement and tenancy study have been finalized, and the Bureau of Planning and Sustainability has been recommended as the tenant of the building.

Per direction mentioned above, OMF is requesting from the General Fund in the FY 2019-20 budget process \$1,853,017 for the cash funding requirements of the project. This includes funding for the City's 5% cash contribution requirement to the project and interim financing costs.

**Service Impacts**

Not applicable. This request only completes the financing plan for a project already approved by Council.

**Equity Impacts**

Not applicable. This request only completes the financing plan for a project already approved by Council.

**Budget Detail**

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
701000	Contingency	844,231	0	0	0	0
701000	Debt Service	729,521	0	0	0	0
701000	External Materials and Servi	279,265	0	0	0	0
		<b>1,853,017</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
701000	Fund Transfers - Revenue	1,853,017	0	0	0	0
		<b>1,853,017</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**DP: 7742 - Citywide 311**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

Portlanders expect and deserve easy and effective access to City government and the services it provides. Today, the City places the burden of navigating its myriad departments, programs, and services on the community member. According to a recent representative community survey, one in three Portlanders say that it is difficult to get information from the City. This difficulty is more pronounced for residents who have a disability, do not speak English well, or have limited internet access. Portland residents would like to see the City simplify phone, online and in-person access to City services. In addition, the City's dispersed approach to customer service means decision-makers lack consistent data and information about community interests and needs.

This decision package would create a Citywide 311 Program so that all Portlanders, whether contacting the City in-person, by phone, or online, can readily access the information and services they need.

A primary goal of the Citywide 311 Program is to improve the efficiency and cost-effectiveness of the City's customer service and service delivery. Efficiencies would be achieved, while maintaining quality customer service, by:

- More efficiently routing and responding to community contacts and service requests.
- Significantly reducing the number of calls that are redirected, minimizing duplication of staff effort.
- Reducing average talk time by Customer Service Representatives, in part by providing necessary tools and training.
- Providing convenient community access to effective, lower-cost communication channels, such as online self-service.
- Generating quality data that can inform and improve City services, policies, and outreach methods.

The Citywide 311 Program will serve as a resource for City employees and provide benefits for Bureaus citywide. In addition to providing employee information and referral, it could also offer off-hour customer service, serve as a backup contact center for high demand/volume periods (e.g. emergencies) or trainings, and flag inaccurate or out-of-date public information.

The 311 Implementation Plan was developed by the Office of Management and Finance to guide the development of a Citywide 311 Program. It recommends a phased, three-year implementation – via a partnership between the Office of Management & Finance, the Office of Community and Civic Life and service bureaus – that builds a strong operational foundation while expanding customer service formats and functions.

This decision package reflects the investment for the first phase of implementation (FY2019-20), which would achieve key foundational outcomes and continue ongoing work necessary to implement future phases. Key elements include:

- a) Launching the Customer Service function to staff a new citywide customer service and reception desk at the Portland Building (scheduled to open in December 2019). The Citywide 311 Program's Customer Service staff will provide:
  - 311 Community Information & Services (intake and resolution/referral) for all City Bureaus
  - Portland Building Reception and Visitor Assistance for Bureaus located within the building
- b) Scoping the business needs and technical requirements for a customer relationship management (CRM) or service desk tool to support service delivery.
- c) Continued project management for the implementation process.

Subsequent phases include the acquisition and deployment of any new software technology; on-boarding of additional services into the 311 Program; and transitioning of the City/County Information & Referral line to 311 with increased call capacity and enhanced resolution capabilities. The implementation phases have been designed to be additive, but not compulsory – funding of this decision package does not commit the City to funding future phases on a particular schedule.

The Citywide 311 Customer Service Program would be housed as a new program within the Office of Community & Civic Life. The Citywide 311 Program will advance the Office's mission of promoting a culture of civic engagement by connecting all Portlanders with each other and their government. Personnel would include a) a Program Manager (1 FTE) to oversee the entire 311 Program; b) Customer service specialists (5 FTE) to provide direct customer service at the Portland Building Customer Service Desk; c) an Administrative Specialist II (1 FTE) to support 311 Program operations and personnel; d) an Analyst II (1 FTE) to conduct data analytics and performance reporting; and e) a Coordinator II (1 FTE) to oversee training and process improvement. All proposed classifications are pending BHR review and formal classification.

This decision package assumes that the existing City/County Information & Referral Program would continue to provide services over the phone and at City Hall (see associated Program Offer) and would be incorporated into the Citywide 311 Program in FY 2019-20. As part of its base budget, the Office of Management and Finance (Office of the Chief Administrative Officer, Strategic Projects and Opportunities Team) will provide a 0.5 FTE Project Manager who will continue to lead implementation planning and project management for the Citywide 311 Program. This decision package requests a limited term Analyst II (1 FTE) within the Office of Management & Finance to further support program implementation and planning for future phases. OMF's Bureau of Technology Services will also provide expertise in virtual and technology solutions.

This FY2019-20 decision package includes funding for personnel and operating expenses as well as external materials and services necessary to stand up the Customer Service Desk in the Portland Building.

Initial performance measures will include the:

- a) number of contacts by type and Bureau/program,
- b) first contact resolution rate, and
- c) number of services supported.

Additional performance measures could be developed to measure equitable service delivery.

### Service Impacts

In FY 2017-18, Council approved a decision package for “311 project management and implementation” and directed the Office of Management and Finance (OMF) to oversee the planning effort. The project team, led by OMF’s Strategic Projects & Opportunities Team (SPOT), assessed existing customer service conditions and preferences within the city, studied best practices from across the country, and considered a variety of service delivery and funding models. This work culminated in a 311 Implementation Plan that recommends a Citywide 311 Program – to be created through a multi-year implementation process – that was reviewed by City Council in November 2018 and led to this decision package.

Once implemented, it is expected that the Citywide 311 Program would:

- Improve community access to City services, while creating more equitable experiences and outcomes for under-represented community members;
- Increase the first contact resolution rate when community members contact the City;
- Reduce the number of non-emergency calls to 911, freeing up 911 call-taker capacity for emergencies;
- Serve as a resource for City employees and provide benefits for Bureaus citywide.

The Office of Community & Civic Life currently has systems in place to track the performance measures listed above for the Information & Referral Program. The existing metrics and tracking system would be improved and applied to the Citywide 311 Program.

The Citywide 311 Program is being intentionally designed to complement the City’s investments in the Portland Building and the Portland Oregon Website Replacement Project (POWR). Continued investment in the development of the Citywide 311 Program is essential to ensure strong integration of all three efforts.

As this is a citywide program with benefits to all City bureaus, the Office of Community & Civic Life would not prioritize, nor does it have the capacity for, funding the program within its existing resources. If funding is not approved, the City would not be able to act on the recommendations of the 311 Implementation Plan to improve community access to information and services; would be unable to provide a Citywide customer service desk and would lack reception services for visitors when the Portland Building reopens; and will continue to lack consistent data on community member contacts and requests.

Though a Citywide 311 Program would be a new program for the City of Portland, hundreds of U.S. cities use 311 systems to provide residents with convenient access to government information and services. Though 311 programs began as a phone-based service, modern systems use combinations of phone, online, in-person, app, text, email, online chat, and voice contact methods. Many of the recommendations in the 311 Implementation Plan were based on and/or confirmed by the experiences of other communities.

### Equity Impacts

The vision for the Citywide 311 Program states:

Portlanders can easily and effectively access City information and services, regardless of language, ability or resources. They are empowered to contact their government. They get accurate answers quickly and easily and feel confident that their needs and voices are being heard and considered.

Portland’s current dispersed customer service model can make it difficult for community members to access City information, programs and services and can result in inequitable experiences and outcomes. Residents who have a disability, do not speak English well, or have limited internet access face heightened barriers to engaging with the City. A Citywide 311 Program—which can provide easier and more convenient access— is key to moving toward a more equitable City. Cities that have used their 311 programs to improve access, experience and outcomes for traditionally under-served and under-represented community members have reported significant increases in participation rates.

Given the diverse nature of the Portland community, and the City’s commitment to equity for under-served and under-represented communities, the Citywide 311 Program must cultivate a welcoming and inclusive customer service experience that increases equitable access and provision of City services. The 311 Implementation Plan, which will guide the creation of a Citywide 311 Program, includes the following strategies to accomplish these goals:

- Provide multiple ways to contact the City: online, by phone, via text, and in-person.
- Integrate language services, including translation and interpretation, into customer service.
- Use 311 to help streamline and improve city processes that may pose barriers to equitable access.
- Ensure program outreach and engagement prioritizes under-served and under-represented communities
- Hire diverse 311 Program staff who reflect Portland’s community and who desire, and have the training, to provide an inclusive and welcoming 311 experience.
- Develop and measure performance against equity-based metrics for success.
- Ensure community member reports and requests taken by 311 are used to inform, but not determine, service delivery. Relying solely on community reports or requests may skew service delivery away from those communities who are less engaged, face more barriers, and/or are less comfortable contacting the City.

### Budget Detail

**Decision Package Summary**

Run Date: 1/31/19

Details

Run Time: 4:33:44 PM

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
100000	External Materials and Servi	170,000	0	0	0	0
100000	Internal Materials and Servic	200,100	0	0	0	0
100000	Personnel	916,905	0	0	0	0
		<b>1,287,005</b>	<b>0</b>	<b>0</b>		<b>0</b>

	<b>Major Object Name</b>	<b>Revenue</b>				
100000	General Fund Discretionary	609,550	0	0	0	0
100000	General Fund Overhead	371,022	0	0	0	0
100000	Interagency Revenue	306,433	0	0	0	0
		<b>1,287,005</b>	<b>0</b>	<b>0</b>		<b>0</b>

		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
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**Position Detail**

Job Class - Name	FTE	Salary	Supplemental	Benefit	Total
30000017 - Customer Accounts Specialist I	5.00	229,840	0	136,267	383,690
30003002 - Administrative Specialist I	1.00	55,089	0	29,305	88,609
30003007 - Analyst II	2.00	168,709	0	71,780	253,395
30003028 - Coordinator II	1.00	76,045	0	34,020	115,883
30003081 - Manager I	1.00	110,271	0	41,721	160,428
<b>Total</b>	<b>10.00</b>	<b>639,954</b>	<b>0</b>	<b>313,094</b>	<b>1,002,004</b>

**DP: 7783 - Redundant Power Supply for ECC-PCC**

**DP Type**

**Priority**

**New**

ADD

0

Yes

**Package Description**

The Portland Communication Center (911) and the Emergency Coordination Center (ECC) are adjacent to each other in Southeast Portland near the intersection of I-205 and Powell Blvd. The 911 building was completed in 1994, the ECC in 2014. Both facilities are equipped with uninterruptible power supplies and diesel backup generators. Despite this redundancy, 911 recently experienced a power outage and subsequent failure of the backup system which resulted in a service disruption and brought to light several vulnerabilities, including single-sourced utility grid power.

Both 911 and the ECC meet the FEMA definition of critical facilities<sup>1,\*</sup> In addition to uninterruptible power supplies and backup generators, best practice would dictate that critical facilities also have a redundant utility power source fed from a different substation (either owned by the same or a different electric utility). FEMA states that "Redundancy is a key strategy for improving the reliability of both utility power systems and individual critical facility emergency power systems" and that "the probability of all electrical services failing simultaneously is much less than the probability of a single-service failure. Redundant services can provide uninterrupted electric power even when one service fails or, at a minimum, redundant services can significantly reduce outage durations when an electrical failure occurs."<sup>3</sup> Furthermore, relying on backup generators to run for extended periods of time frequently results in equipment failure<sup>2</sup>.

Secondly, 911 is using its original electrical service that is approaching 30 years in age and which is at capacity and in need of an upgrade. An electrical reliability study was completed by EC Electric in June 2018. The study identified and confirmed several deficiencies and recommended the following:

1. Replace existing UPS' that are at the end of their useful lives. Note: Replacing the UPS' - the most critical corrective action needed - was previously funded through General Fund Capital Set-aside and is currently under design, with project completion expected by May 2019.
2. System-wide electrical upgrade to include the following:
  - a. Redundant utility power supply
  - b. HVAC in critical areas supported by generator backup
  - c. All feeders in galvanized rigid conduit (GRC) or concrete encased per National Electric Code (NEC) 708.10(C)(1)
  - d. Selective coordination as per NEC 708.54 - replacing fuses with circuit breakers will restore system operation more quickly and can be adjusted to avoid nuisance tripping while providing an even higher level of protection
  - e. Surge suppression needed as per NEC 708.20(D)

Project Description: This project will redesign and upgrade the 911 electrical system and connect both the 911 and the ECC to a second electrical utility grid with cutover in the event of a power failure on the primary feed.

**Service Impacts**

Currently, realizing one of the two failure mode will result in the following consequences:

**Human Health and Safety Impacts** - Loss of utility power to 911 could result in a disruption to 911 operations during which emergency calls would not be answered, potentially contributing to injuries or loss of life, especially during a major incident. Loss of utility power to the ECC could impede and disrupt the ECCs ability to communicate with first responders and carry out its core function of coordinating emergency response.

**Service Impacts** - Essential emergency response and emergency coordination services are at risk of disruption due to outdated electrical infrastructure at 911 and a lack of redundant utility power supply at both 911 and ECC. Power outages at 911 or the ECC following a major incident could result in an extended service outage during which emergency calls would not be answered, possibly resulting in injuries or loss of life. Additionally, the Emergency Coordination Center would be hindered or prevented from carrying out its core function of coordinating citywide emergency response activities. Facilities Services is expected to provide uninterrupted power to these sites so that emergency response plans can be executed by the Portland Bureau of Emergency Management (PBEM) and Bureau of Emergency Communication (BOEC).

**Environmental Impacts**- Potential for environmental disaster were 911 to experience an outage and fail to respond in a timely manner to a hazardous material spill, fire, or other emergency in a neighborhood, waterway, or sensitive natural area.

**Legal & Regulatory Compliance Impacts** - Potential for lawsuits in the event of a service outage that results in an inability to respond in a timely manner or a failure to act in the event of an emergency.

**Financial Impacts** - Facilities is expected to provide uninterrupted power to these critical facilities. In the event of a prolonged power outage, damage and loss of sensitive equipment in excess of \$2 million is expected. Additionally, there is potential for significant monetary settlements for lawsuits and claims resulting from a service outage that can be shown to have caused or contributed to an inability to respond or failure to act that resulted in injuries or loss of life.

Benefits that make the project eligible to receive a bonus:

- Improves the City's resiliency and emergency preparedness posture. Helps ensure continuity of essential emergency response services in the event of a significant natural or human-caused disaster.
- Increases the City's investment in the outer east-side, a historically under-served part of the city.

**Equity Impacts**

Budget Detail						
Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	<b>Major Object Name</b>	<b>Expense</b>				
701000	Capital Outlay	7,500,000	0	0	0	0
		<b>7,500,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
	<b>Major Object Name</b>	<b>Revenue</b>				
701000	Fund Transfers - Revenue	7,500,000	0	0	0	0
		<b>7,500,000</b>	<b>0</b>	<b>0</b>		<b>0</b>
		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

# City of Portland - Project #1

## MAJOR MAINTENANCE & ASSET REPLACEMENT PROJECT REQUEST FORM FY 2018-19 FALL BMP

**Bureau Contact Info:** Ron Umali

**Bureau:** OMF Facilities Services

**Project Name:** City Hall Council Chambers Balcony Barrier

**Estimated Total Project Cost:** \$ 250,000

**General Fund Request:** \$ 250,000

**Other Resources:** \$ - enter fund source information

**Total Net Operations and Maintenance Impact:** \$ -

**Net Operations and Maintenance Impact - General Fund Only:** \$ -

**Estimated Project Duration (months):** 6

**Estimated Project Start Date:** 7/1/2019

### PROJECT DESCRIPTION (one page only)

- Asset Information: The City Hall council chambers' balcony railing height is not up to code and employees and visitors are subject to risk of a fall. The risk has been mitigated by removing the first row of benches and roping off the area. This reduces the capacity of the balcony by approximately 40 people and negatively impacts the aesthetics of council chambers.

- Project Description: This project will design, fabricate, and install a new barrier that meets code, allows for an unimpeded view, and conforms to aesthetic standards.

Human Health and Safety Impacts - Injury or death resulting from a fall.

Service Impacts - The closure of the first row negatively impacts the viewing experience for visitors and reduces the capacity of Council Chambers. Once remedied, the balcony will be able to safely accommodate up to 4 additional wheelchairs on either end of the first row while providing an advantageous view to those individuals.

Environmental Impacts- Nominal to none.

Legal & Regulatory Compliance Impacts - Potential for OSHA & building code violations and risk of lawsuits in the event of an injury or death.

Financial Impacts - Risk of lawsuits in the event of an injury or death.

**Benefits that make the project eligible to receive a bonus:**

The project addresses a human health and safety issue and associated financial risk to the City while expanding capacity and utility of an existing asset.

# FY 2018-19 FALL BMP Project Score Sheet #1

<b>Bureau:</b>	OMF Facilities Services	<b>Total Project Cost:</b>	\$250,000
<b>Project:</b>	City Hall Council Chambers Balcony Barrier	<b>GF Request:</b>	\$250,000
		<b>Total Net Operations and Maintenance Impact:</b>	\$0

	<b>Failure Mode #1 (Current State)</b>	<b>Failure Mode #2 (Progression/Worst Case)</b>
<i>Failure Mode Description:</i>	Hazard results in closure or partial closure of balcony.	Serious injury or death resulting from a fall.

LIKELIHOOD <i>Without this project, the asset is expected to fail in...</i>	Likelihood of Failure Mode #1	Likelihood of Failure Mode #2
Already Failed	100%	
0 to 2 years	70%	
3- 5 years	50%	10%
More than 5	10%	

CONSEQUENCES <i>Project avoids or reduces risk of...</i>	Points	Risk Score Failure Mode #1	Risk Score Failure Mode #2
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<b>Human Health and Safety Impacts</b> (including in the workplace)			
Fatalities	10	0	10
Serious injuries	5		
Minor injuries	2		
No potential human health or safety impact	0		

<b>Service Impacts</b>			
Disruption of service to > 10,000 customers	10	3	3
Disruption of service to 1,000-9,999 customers	5		
Disruption of service to < 1,000 customers	3		
Community complaints	1		
No potential service impact	0		

<b>Environmental Impacts</b>			
Long-term or widespread ecological damage	10	0	0
Major but recoverable	5		
Minor and recoverable	2		
No potential environmental impact	0		

<b>Legal and Regulatory Compliance</b>			
City sued and/or fined	10	10	10
City formally warned	5		
City warned internally	3		
Project does not address legal/regulatory/compliance obligation	0		

<b>Financial Impact</b>			
Prevents asset loss, revenue loss, and/or R/R/R cost > \$2.0 million	10	10	10
Prevents asset loss, revenue loss, and/or R/R/R cost \$500,000 - \$1,999,999	6		
Prevents asset loss, revenue loss, and/or R/R/R cost \$50,000 - \$499,999	4		
Prevents asset loss, revenue loss, and/or R/R/R cost < \$49,999	2		
No potential financial impact	0		

<b>Total Consequence Score</b> (Maximum = 50)	<b>23</b>	<b>33</b>
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<b>Total Risk Score = Likelihood of failure X Total consequence score</b>	<b>23.0</b>	<b>3.3</b>
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**Benefit (increases score by up to 10%):**

Enter "YES" or "NO" in cell C46 depending on if your project promotes a positive benefit described in the instructions (to be eligible the benefit(s) must be detailed in the Request Form). The Validation Committee will make the final award decision:	Yes	6%	6%
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<b>Total Score</b> (the highest score will be used for the ranking, maximum points = 55)	<b>24.4</b>	<b>3.5</b>
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# City of Portland - Project #1

## MAJOR MAINTENANCE & ASSET REPLACEMENT PROJECT REQUEST FORM FY 2019-20

**Bureau Contact Info:** Ron Umali

**Bureau:** OMF CAO's Office

**Project Name:** Justice Center Elevators Replacement

**Estimated Total Project Cost:** \$ 2,900,000

**General Fund Request:** \$ 2,900,000

**Other Resources:** \$ -

**Total Net Operations and Maintenance Impact:**

**Net Operations and Maintenance Impact - General Fund Only:**

**Estimated Project Duration (months):** 12

**Estimated Project Start Date:** 7/1/2019

### PROJECT DESCRIPTION (one page only)

#### Asset Information:

The Justice Center, located at 1111 SW 2nd Ave, is served by three elevators that were installed in 1983, and serve 300 plus Police employees within the building. The elevators are frequently out of service, have multiple entrapments each week, pose health and safety risks to building residents, and are obsolete, making repairs difficult and expensive.

#### Project Description:

The Portland Police Bureau has over 300 employees operating out of the Justice Center located at 1111 SW 2nd Ave. Employee duties vary significantly within the building, from drug and homicide investigations, to forensics, finance and administration, and day to day patrol operations. Additionally, the building hosts many public meetings attended by many different community groups, media, outside agencies, and other City employees. Police employees, the majority of which are first responders, and visitors, rely heavily on the building's three public elevators. These three elevators are traction elevators, one of which is a large service elevator. Since their initial installation, the control boards have been updated once, in February 2006. The elevators' hardware has never been updated.

This project will replace the elevators and associated equipment.

The current condition of the elevators obstructs and endangers Justice Center employees.

Employees are familiar with the elevators' daily failures which vary from doors jamming or opening a few feet from a floor's landing, to simply not responding to calls.

Additionally, one or more of the three Justice Center elevators is frequently out of service which delays or prevents employee participation in critical job functions, many of which are related to public safety response.

Often when an elevator goes out of service, an employee is inside. Multiple entrapments occur each week. The entrapments range in length from minutes to hours. Rescues vary from prying the elevator doors open to calling in the Portland Fire and Rescue to rope employees out. They pose major health and safety risks to building residents. They also pose liability risks for the City.

Facilities has employed many different repair strategies to address the ongoing issues, but because the control boards and other key components of the elevators are now obsolete, repairs are expensive, and frustrating.

#### Explain Scores:

The Justice Center elevators are unreliable and at the point of failure. The decreased service capacity to the Police Bureau coupled with the threat of serious physical injury to the building's hundreds of occupants has made the equipment nearly unusable. By ignoring the issue, the City risks major health concerns, litigation, and ongoing financial losses towards equipment that is obsolete.

#### Benefits:

- Expands level of service beyond the baseline
- Improves emergency response times, emergency preparedness, and safety
- Reduces operations and maintenance costs
- Reduces risk to the City

# FY 2017-18 Project Score Sheet #1

<b>Bureau:</b>	OMF CAO's Office	<b>Total Project Cost:</b>	\$2,900,000
<b>Project:</b>	Justice Center Elevators Replacement	<b>GF Request:</b>	\$2,900,000
		<b>Total Net Operations and Maintenance Impact:</b>	\$0

Failure Mode Description:		Failure Mode #1 (Current State)	Failure Mode #2 (Progression/Worst Case)
Capacity - with one or more elevators frequently out of service, the 300 plus Justice Center employees, the majority of which are first responders, are frequently delayed or kept from duties		Physical failure/Economic - personnel time lost and cost of repairs. Entrapment rescues pose risk of very serious injuries or fatalities.	
LIKELIHOOD <i>Without this project, the asset is expected to fail in...</i>		Likelihood of Failure Mode #1	Likelihood of Failure Mode #2
Already Failed	100%	100%	100%
0 to 2 years	70%		
3- 5 years	50%		
More than 5	10%		
CONSEQUENCES <i>Project avoids or reduces risk of...</i>		Risk Score Failure Mode #1	Risk Score Failure Mode #2
<b>Human Health and Safety Impacts</b> (including in the workplace)			
Fatalities	10	5	5
Serious injuries	5		
Minor injuries	2		
No potential human health or safety impact	0		
<b>Service Impacts</b>			
Disruption of service to > 10,000 customers	10	10	10
Disruption of service to 1,000-9,999 customers	5		
Disruption of service to < 1,000 customers	3		
Community complaints	1		
No potential service impact	0		
<b>Environmental Impacts</b>			
Long-term or widespread ecological damage	10	0	0
Major but recoverable	5		
Minor and recoverable	2		
No potential environmental impact	0		
<b>Legal and Regulatory Compliance</b>			
City sued and/or fined	10	5	10
City formally warned	5		
City warned internally	3		
Project does not address legal/regulatory/compliance obligation	0		
<b>Financial Impact</b>			
Prevents asset loss, revenue loss, and/or R/R/R cost > \$2.0 million	10	2	6
Prevents asset loss, revenue loss, and/or R/R/R cost \$500,000 - \$1,999,999	6		
Prevents asset loss, revenue loss, and/or R/R/R cost \$50,000 - \$499,999	4		
Prevents asset loss, revenue loss, and/or R/R/R cost < \$49,999	2		
No potential financial impact	0		
<b>Total Consequence Score</b> (Maximum = 50)		22	31

<b>Total Risk Score = Likelihood of failure X Total consequence score</b>		<b>22.0</b>	<b>31.0</b>
<b>Benefit (increases score by up to 10%):</b>			
Enter "YES" or "NO" in cell C46 depending on if your project promotes a positive benefit described in the instructions (to be eligible the benefit(s) must be detailed in the Request Form). The Validation Committee will make the final award decision:	yes	10%	10%
<b>Total Score</b> (the highest score will be used for the ranking, maximum points = 55)		<b>24.2</b>	<b>34.1</b>

# City of Portland - Project #1

## MAJOR MAINTENANCE & ASSET REPLACEMENT PROJECT REQUEST FORM FY 2018-19 FALL BMP

**Bureau Contact Info:** Ron Umali

**Bureau:** OMF Facilities Services

911 & ECC Redundant Utility Power Supplies &

**Project Name:** 911 Power Capacity Expansion

**Estimated Total Project Cost:** \$ 7,500,000

**General Fund Request:** \$ 7,500,000

**Other Resources:** \$ - enter fund source information

**Total Net Operations and Maintenance Impact:** \$ -

**Net Operations and Maintenance Impact - General Fund Only:** \$ -

**Estimated Project Duration (months):** 24

**Estimated Project Start Date:** 7/1/2019

### PROJECT DESCRIPTION (one page only)

- **Asset Information:** The Portland Communication Center (911) and the Emergency Coordination Center (ECC) are adjacent to each other in Southeast Portland near the intersection of I-205 and Powell Blvd. The 911 building was completed in 1994, the ECC in 2014. Both facilities are equipped with uninterruptible power supplies and diesel backup generators. Despite this redundancy, 911 recently experienced a power outage and subsequent failure of the backup system which resulted in a service disruption and brought to light several vulnerabilities, including single-sourced utility grid power.

Both 911 and the ECC meet the FEMA definition of critical facilities<sup>1</sup>. In addition to uninterruptible power supplies and backup generators, best practice would dictate that critical facilities also have a redundant utility power source fed from a different substation (either owned by the same or a different electric utility). FEMA states that "Redundancy is a key strategy for improving the reliability of both utility power systems and individual critical facility emergency power systems" and that "the probability of all electrical services failing simultaneously is much less than the probability of a single-service failure. Redundant services can provide uninterrupted electric power even when one service fails or, at a minimum, redundant services can significantly reduce outage durations when an electrical failure occurs."<sup>3</sup> Furthermore, relying on backup generators to run for extended periods of time frequently results in equipment failure<sup>2</sup>.

Secondly, 911 is using its original electrical service that is approaching 30 years in age and which is at capacity and in need of an upgrade. An electrical reliability study was completed by EC Electric in June 2018. The study identified and confirmed several deficiencies and recommended the following:

1. Replace existing UPS' that are at the end of their useful lives. **Note: Replacing the UPS' - the most critical corrective action needed - was previously funded through General Fund Capital Set-aside and is currently under design, with project completion expected by May 2019.**

2. System-wide electrical upgrade to include the following:

- a. Redundant utility power supply
- b. HVAC in critical areas supported by generator backup
- c. All feeders in galvanized rigid conduit (GRC) or concrete encased per National Electric Code (NEC) 708.10(C)(1)
- d. Selective coordination as per NEC 708.54 - replacing fuses with circuit breakers will restore system operation more quickly and can be adjusted to avoid nuisance tripping while providing an even higher level of protection
- e. Surge suppression needed as per NEC 708.20(D)

- **Project Description:** This project will redesign and upgrade the 911 electrical system and connect both the 911 and the ECC to a second electrical utility grid with cutover in the event of a power failure on the primary feed.

#### **Currently, realizing one of the two failure mode will result in the following consequences:**

**Human Health and Safety Impacts** - Loss of utility power to 911 could result in a disruption to 911 operations during which emergency calls would not be answered, potentially contributing to injuries or loss of life, especially during a major incident. Loss of utility power to the ECC could impede and disrupt the ECCs ability to communicate with first responders and carry out its core function of coordinating emergency response.

**Service Impacts** - Essential emergency response and emergency coordination services are at risk of disruption due to outdated electrical infrastructure at 911 and a lack of redundant utility power supply at both 911 and ECC. Power outages at 911 or the ECC following a major incident could result in an extended service outage during which emergency calls *would not be answered*, possibly resulting in injuries or loss of life. Additionally, the Emergency Coordination Center would be hindered or prevented from carrying out its core function of coordinating citywide emergency response activities. Facilities Services is expected to provide uninterrupted power to these sites so that emergency response plans can be executed by the Portland Bureau of Emergency Management (PBEM) and Bureau of Emergency Communication (BOEC).

**Environmental Impacts** - Potential for environmental disaster were 911 to experience an outage and fail to respond in a timely manner to a hazardous material spill, fire, or other emergency in a neighborhood, waterway, or sensitive natural area.

**Legal & Regulatory Compliance Impacts** - Potential for lawsuits in the event of a service outage that results in an inability to respond in a timely manner or a failure to act in the event of an emergency.

**Financial Impacts** - Facilities is expected to provide uninterrupted power to these critical facilities. In the event of a prolonged power outage, damage and loss of sensitive equipment in excess of \$2 million is expected. Additionally, there is potential for significant monetary settlements for lawsuits and claims resulting from a service outage that can be shown to have caused or contributed to an inability to respond or failure to act that resulted in injuries or loss of life.

#### **Benefits that make the project eligible to receive a bonus:**

- Improves the City's resiliency and emergency preparedness posture. Helps ensure continuity of essential emergency response services in the event of a significant natural or human-caused disaster.
- Increases the City's investment in the outer east-side, a historically under-served part of the city.

*\*Not to be confused with building code definitions. ECC is a Type 3 Essential Facility whereas 911 was recently brought up to essential facility code with respect to seismic only.*

<sup>1</sup> Per EC Electric Reliability Study, June 2018, and FEMA: [https://www.fema.gov/media-library-data/1436818953164-4f8f6c191d26a924f67911c5eaa6848/FPM\\_1\\_Page\\_CriticalFacilities.pdf](https://www.fema.gov/media-library-data/1436818953164-4f8f6c191d26a924f67911c5eaa6848/FPM_1_Page_CriticalFacilities.pdf)

<sup>2</sup> FEMA 577 (pg 4-104): <https://www.fema.gov/media-library-data/20130726-1609-20490-1678/fema577.pdf>

<sup>3</sup> FEMA P-1019 (Appendix R): <http://www.fema.gov/media-library-data/14721481821-6072570837e7c1d77a8fc8a3e4a98/FEMAD->

# FY 2018-19 FALL BMP Project Score Sheet #1

<b>Bureau:</b>	OMF Facilities Services 911 & ECC Redundant Utility Power Supplies & 911 Power	<b>Total Project Cost:</b>	\$7,500,000
<b>Project:</b>	Capacity Expansion	<b>GF Request:</b>	\$7,500,000
		<b>Total Net Operations and Maintenance Impact:</b>	\$0

	<b>Failure Mode #1 (Current State)</b>	<b>Failure Mode #2 (Progression/Worst Case)</b>
<i>Failure Mode Description:</i>	Loss of electrical grid power to PCC and/or ECC due to human causes (e.g., vehicle collision with transmission pole).	Loss of electrical grid power to PCC and/or ECC due to natural causes (e.g., high winds, flood or other natural disaster).

LIKELIHOOD <i>Without this project, the asset is expected to fail in...</i>		Likelihood of Failure Mode #1	Likelihood of Failure Mode #2
Already Failed	100%	70%	70%
0 to 2 years	70%		
3- 5 years	50%		
More than 5	10%		

CONSEQUENCES <i>Project avoids or reduces risk of...</i>		Risk Score Failure Mode #1	Risk Score Failure Mode #2
	<b>Points</b>		

Human Health and Safety Impacts (including in the workplace)			
Fatalities	10	10	10
Serious injuries	5		
Minor injuries	2		
No potential human health or safety impact	0		

Service Impacts			
Disruption of service to > 10,000 customers	10	10	10
Disruption of service to 1,000-9,999 customers	5		
Disruption of service to < 1,000 customers	3		
Community complaints	1		
No potential service impact	0		

Environmental Impacts			
Long-term or widespread ecological damage	10	10	10
Major but recoverable	5		
Minor and recoverable	2		
No potential environmental impact	0		

Legal and Regulatory Compliance			
City sued and/or fined	10	10	10
City formally warned	5		
City warned internally	3		
Project does not address legal/regulatory/compliance obligation	0		

Financial Impact			
Prevents asset loss, revenue loss, and/or R/R/R cost > \$2.0 million	10	10	10
Prevents asset loss, revenue loss, and/or R/R/R cost \$500,000 - \$1,999,999	6		
Prevents asset loss, revenue loss, and/or R/R/R cost \$50,000 - \$499,999	4		
Prevents asset loss, revenue loss, and/or R/R/R cost < \$49,999	2		
No potential financial impact	0		

<b>Total Consequence Score (Maximum = 50)</b>		<b>50</b>	<b>50</b>
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<b>Total Risk Score = Likelihood of failure X Total consequence score</b>		<b>35.0</b>	<b>35.0</b>
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**Benefit (increases score by up to 10%):**

Enter "YES" or "NO" in cell C46 depending on if your project promotes a positive benefit described in the instructions (to be eligible the benefit(s) must be detailed in the Request Form). The Validation Committee will make the final award decision:	Yes	10%	10%
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<b>Total Score (the highest score will be used for the ranking, maximum points = 55)</b>	<b>38.5</b>	<b>38.5</b>
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	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Licenses & Permits	0	50	0	0	0	0
Charges for Services	1,547,476	1,527,678	1,463,149	1,522,357	1,522,357	1,522,357
Intergovernmental	8,590	27,696	15,000	2,000,000	2,000,000	2,000,000
Bond & Note	15,707,364	36,632,364	92,370,373	12,323,296	14,655,391	14,655,391
Miscellaneous	837,593	1,044,111	930,047	72,723,871	72,723,871	72,723,871
<b>Total External Revenues</b>	<b>18,101,022</b>	<b>39,231,900</b>	<b>94,778,569</b>	<b>88,569,524</b>	<b>90,901,619</b>	<b>90,901,619</b>
Fund Transfers - Revenue	4,417,059	2,706,021	5,122,404	8,554,591	21,057,608	21,057,608
Interagency Revenue	30,123,666	34,509,377	29,198,956	33,098,674	36,794,590	36,794,590
<b>Total Internal Revenues</b>	<b>34,540,725</b>	<b>37,215,398</b>	<b>34,321,360</b>	<b>41,653,265</b>	<b>57,852,198</b>	<b>57,852,198</b>
Beginning Fund Balance	38,754,109	37,967,779	41,635,861	40,225,775	40,225,775	40,225,775
<b>Total Resources</b>	<b>91,395,856</b>	<b>114,415,077</b>	<b>170,735,790</b>	<b>170,448,564</b>	<b>188,979,592</b>	<b>188,979,592</b>
<b>Requirements</b>						
Personnel Services	4,682,171	5,089,439	6,236,993	6,368,918	7,300,407	7,300,407
External Materials and Services	29,788,388	44,450,876	48,194,866	43,600,233	44,007,498	44,007,498
Internal Materials and Services	3,243,618	4,453,627	4,615,143	5,446,069	5,913,141	5,913,141
Capital Outlay	1,547,217	14,042,352	80,884,342	61,878,246	74,934,949	74,934,949
<b>Total Bureau Expenditures</b>	<b>39,261,393</b>	<b>68,036,294</b>	<b>139,931,344</b>	<b>117,293,466</b>	<b>132,155,995</b>	<b>132,155,995</b>
Debt Service	13,238,904	5,571,495	6,933,305	8,470,182	9,619,746	9,619,746
Contingency	0	0	22,807,232	43,429,444	45,948,379	45,948,379
Fund Transfers - Expense	927,778	918,421	1,063,909	1,255,472	1,255,472	1,255,472
Total Fund Expenditures	<b>14,166,682</b>	<b>6,489,916</b>	<b>30,804,446</b>	<b>53,155,098</b>	<b>56,823,597</b>	<b>56,823,597</b>
Ending Fund Balance	37,967,779	39,888,866	0	0	0	0
<b>Total Requirements</b>	<b>91,395,854</b>	<b>114,415,076</b>	<b>170,735,790</b>	<b>170,448,564</b>	<b>188,979,592</b>	<b>188,979,592</b>

## Fund Overview

The Facilities Services Operating Fund accounts for all of the facilities-related programs and capital projects managed by the Office of Management & Finance. The fund is generally self-sufficient; however, Facilities Services may request General Fund support on behalf of a General Fund bureau to cover project expenses specific to that bureau's facility requirements, or for projects related to General Fund capital set-aside requests.

The fund's primary sources of revenue are service reimbursements from City bureaus for space rental and other services, and revenues from tenants occupying City-owned space. Debt issuance is also a resource for capital projects, with the resulting principal and interest obligations generally being incorporated into the rental rates. Services to City-owned space include: building operations, maintenance services, interior space remodels and reconfigurations, janitorial services, security services, property and capital project management, and strategic planning and development.

### Managing Agency

Office of Management & Finance, Office of the Chief Administrative Officer

Facilities Services Operating Fund  
 Calculation of FY 2019-20 rate budget target with 1% Cut

	FY 2018-19 CSL Rate Budget	FY 2018-19 Decision Packages	FY 2018-19 Adopted Rate Budget	FY 2019-20 DRAFT Inflation Rates	FY 2019-20 Target Rate Budget
<b>Personal Services</b>	<b>\$5,220,286</b>	<b>\$85,697</b>	<b>\$5,305,983</b>		<b>\$5,537,130</b>
Personal services (salary and wage-driven benefits)	\$3,695,855	\$85,697	\$3,781,552	4.5%	\$3,951,722
Health benefits	\$1,524,431		\$1,524,431	4.0%	\$1,585,408
<b>M&amp;S-External</b>	<b>\$9,620,004</b>	<b>\$2,224,368</b>	<b>\$11,844,372</b>		<b>\$12,192,776</b>
Electricity	\$2,343,280		\$2,343,280	2.2%	\$2,394,833
Natural Gas	\$325,678		\$325,678	2.2%	\$332,843
Water/sewer	\$511,716		\$511,716	4.2%	\$533,208
Other utilities and garbage	\$189,799		\$189,799	2.9%	\$195,303
Fuel	\$0		\$0	0.0%	\$0
PTE services	\$0		\$0	0.0%	\$0
Other services	\$6,249,531	\$2,224,368	\$8,473,899	3.1%	\$8,736,590
Materials	\$0		\$0		\$0
<b>M&amp;S-Internal</b>	<b>\$2,615,655</b>	<b>\$2,838</b>	<b>\$2,618,493</b>		<b>\$2,712,620</b>
Fleet Services	\$134,181		\$134,181	3.8%	\$139,280
Print/Distribution	\$9,258		\$9,258	3.7%	\$9,601
Facilities Services	\$161,041		\$161,041	3.6%	\$166,838
BTS	\$423,352		\$423,352	3.9%	\$439,863
Workers' Comp	\$35,252		\$35,252	3.6%	\$36,521
Insurance & Claims	\$199,890		\$199,890	1.1%	\$202,089
Other inter-fund services	\$1,652,681	\$2,838	\$1,655,519	3.8%	\$1,718,429
Capital	\$0		\$0		\$0
Sub-total Bureau Program Expenses	\$17,455,945	\$2,312,903	\$19,768,848		\$20,442,526
Debt Service (Capital and PERS)	\$3,167,298		\$3,167,298		\$3,184,062
Fund balance/contingency	\$0		\$0		\$0
Major maintenance in rental rates	\$5,479,835		\$5,479,835	3.1%	\$5,649,710
<b>Total</b>	<b>\$26,103,078</b>	<b>\$2,312,903</b>	<b>\$28,415,981</b>		<b>\$29,276,299</b>
<b>Plus/minus systemic cost increases</b>					
Remove 1x Data Center Charge from FY 2018-19 Target					<b>(\$16,495)</b>
2nd 50% increase in rates for cash funding TPB Project					\$89,492
Procurement Construction Services IA					\$326,000
PERS systemic cost increase					\$222,585
<b>Adjusted Target Rate Budget</b>					<b>\$29,897,881</b>
<b>DP's Included</b>					
MF_46 - Add Security Services Funding					\$252,740
MF_47 - Cut Project Management Software					<b>(\$30,000)</b>
MF_52 - Add 1 FTE Utility Worker II position					\$87,325
MF_53 - Funding for Immediate Response Cleanups					\$2,000,000
MF_269 - Facilities - DCTU Professional Development					\$2,838
					<b>\$2,312,903</b>

Rate Transparency Comparison template  
Facilities Services Fund Rates

Rate	FY 2018-19	FY 2019-20	% Change	FY 2019-20 rate budget	Rate Increase Explanations
<b>Project Managers/Engineers/FMT Supervisor</b>	\$ 136.74	\$ 146.11	6.85%	<b>\$2,678,557</b>	This rate has increased above Facilities' target rate of 4.13% because of systemic PERS rate increases, an OMF reorg where Facilities and Fleet now fully support the Division of Asset Management IA (no longer includes Risk), and 1 FTE moving to the Specialists rate to align updated job classes with rates. Billable hours as a percentage of available hours has actually increased 2 percentage points from 70.6% to 72.6%.
<b>Facilities Services Specialists / Project Specialists</b>	\$ 107.38	\$ 120.47	12.19%	<b>\$1,556,350</b>	This rate has increased above Facilities' target rate of 4.13% because of systemic PERS rate increases, an OMF reorg where Facilities and Fleet now fully support the Division of Asset Management IA (no longer includes Risk), and 1 FTE moving to this rate from the PM/Engineers/FMT Supervisor rate. Billable hours as a percentage of available hours remain the same as FY 2018-19 at 77.1%.
<b>Dispatchers</b>	\$ 82.71	\$ 94.11	13.78%	<b>\$324,309</b>	This rate has increased above Facilities' target rate of 4.13% because of systemic PERS rate increases, an OMF reorg where Facilities and Fleet now fully support the Division of Asset Management IA (no longer includes Risk), and the rate including 2 FTE now instead of 1 FTE. Billable hours as a percentage of available hours decreased from 82% to 81.2%.
<b>Facilities Maintenance Technicians</b>	\$ 105.60	\$ 107.68	1.97%	<b>\$3,009,635</b>	n/a
<b>Facilities Maintenance Technician Apprentices</b>	\$ 99.13	\$ 99.68	0.55%	<b>Part of FMT rate pool</b>	n/a
<b>Utility Workers</b>	\$ 99.13	\$ 99.68	0.55%	<b>Part of FMT rate pool</b>	n/a
<b>The Portland Building</b>	\$ 17.49	\$ 18.11	3.57%		n/a
<b>City Hall</b>	\$ 25.42	\$ 26.51	4.29%		n/a
<b>1900 Building</b>	\$ 20.18	\$ 21.01	4.11%		n/a
<b>Portland Communication Center - BTS</b>	\$ 19.47	\$ 20.29	4.21%		n/a
<b>Portland Communication Center - BOEC</b>	\$ 27.47	\$ 28.57	4.00%	<b>Boec's rate is weighted for 24/7 OPS; same cost pool as PCC BTS</b>	n/a
<b>Archives</b>	\$ 1,353,289	\$ 1,377,512	1.79%		n/a
<b>Police All</b>	\$ 4,699,267	\$ 5,070,965	7.91%	<b>\$5,070,965</b>	The difference in the Police rent IA above Facilities inflation of 4.13% is due to Police taking over space at the Kelly building that is being used and paid for by the Multnomah County Sheriff's Office in FY 2018-19.
<b>Kelly Bldg - ONI</b>	\$ 66,927	\$ 69,810	4.31%	<b>\$858,645</b>	n/a
<b>Emergency Coordination Center</b>	\$ 28.21	\$ 29.37	4.11%	<b>\$778,548</b>	n/a
<b>The Portland Building Fitness Center</b>	\$ 0.25	\$ 0.28	12.00%	<b>\$78,904</b>	This rate only increased 3 cents. Even though it is greater than inflation, it is immaterial to bureaus.
<b>1900 Building Fitness Center</b>	\$ 0.17	\$ 0.18	5.88%	<b>\$24,726</b>	This rate only increased 1 cent. Even though it is greater than inflation, it is immaterial to bureaus.
<b>Daycare</b>	\$ 0.43	\$ 0.45	4.65%	<b>\$227,184</b>	n/a
<b>Corporate Allocation - Time and Materials Facilities</b>	\$ 464,001	\$ 664,618	43.24%	<b>\$2,160,776</b>	The corporate rate has increased above Facilities' inflation of 4.13% because of a number of new costs including: a brand new \$326,000 IA with Procurement for Construction Services Support, new radios for security services because theirs are at end of life, a core video system charge that was previously charged to the Portland Building, but services the downtown core (TPB O&M budget was equally reduced), a Facilities reorg which increased the corporate allocation of the Project Management group supervisor by 60% (but is offset elsewhere by reclassing a supervisor position to PM), and increasing the corporate allocation of the Fire and Life Safety Program Manager to 30%. Time allocations are compounded by the increased hourly rates over last fiscal year.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Intergovernmental	861,993	891,647	1,401,147	1,319,424	1,319,424	
Bond & Note	0	0	0	6,014,332	6,014,332	
Miscellaneous	1,128,318	2,009,239	1,163,378	1,394,942	1,394,942	
<b>Total External Revenues</b>	<b>1,990,311</b>	<b>2,900,886</b>	<b>2,564,525</b>	<b>8,728,698</b>	<b>8,728,698</b>	
Interagency Revenue	29,092,724	34,456,462	39,248,787	39,193,115	39,193,115	
<b>Total Internal Revenues</b>	<b>29,092,724</b>	<b>34,456,462</b>	<b>39,248,787</b>	<b>39,193,115</b>	<b>39,193,115</b>	
Beginning Fund Balance	20,509,796	17,017,136	18,641,901	8,479,728	8,479,728	
<b>Total Resources</b>	<b>51,592,831</b>	<b>54,374,485</b>	<b>60,455,213</b>	<b>56,401,541</b>	<b>56,401,541</b>	
<b>Requirements</b>						
Personnel Services	7,912,221	7,923,004	9,269,541	8,995,563	8,995,563	
External Materials and Services	11,977,424	13,467,858	13,446,098	14,475,712	14,475,712	
Internal Materials and Services	2,028,526	2,367,427	2,447,727	2,350,748	2,350,748	
Capital Outlay	11,066,253	10,287,384	24,917,821	11,125,664	11,125,664	
<b>Total Bureau Expenditures</b>	<b>32,984,424</b>	<b>34,045,674</b>	<b>50,081,187</b>	<b>36,947,687</b>	<b>36,947,687</b>	
Debt Service	456,771	500,837	623,905	577,861	577,861	
Contingency	0	0	8,479,728	17,740,017	17,740,017	
Fund Transfers - Expense	1,134,500	1,186,075	1,270,393	1,135,976	1,135,976	
<b>Total Fund Expenditures</b>	<b>1,591,271</b>	<b>1,686,912</b>	<b>10,374,026</b>	<b>19,453,854</b>	<b>19,453,854</b>	
Ending Fund Balance	17,017,136	18,641,898	0	0	0	
<b>Total Requirements</b>	<b>51,592,830</b>	<b>54,374,483</b>	<b>60,455,213</b>	<b>56,401,541</b>	<b>56,401,541</b>	

## Fund Overview

The CityFleet Operating Fund accounts for the revenues and expenditures associated with CityFleet's operations. CityFleet's services include: vehicle & equipment acquisitions, maintenance operations, fueling stations, parts management, automotive body repairs, motor pool, rental programs, sustainability program, and metal fabrication. CityFleet also provides fleet policies and procedures related to fleet operations, and has established Intergovernmental Agreements to provide a regional approach for professional fleet services and sustainability goals.

The fund's major source of revenue is service reimbursement transfers from City bureaus. Outside agencies also pay the City for vehicle maintenance services provided.

## Managing Agency

Office of Management & Finance, Office of the Chief Administrative Officer

CityFleet Fund 702  
 Calculation of FY 2019-20 rate budget target

	FY 2018-19 Target Rate Budget	FY 2018-19 COLA and Benefit Adj/ DP	FY 2018-19 Adopted Rate Budget	FY 2019-20 Inflation Rates	FY 2019-20 Target Rate Budget
<b>Personal Services</b>					
Personal services (salary and wage-driven benefits)	\$7,536,873	\$0	\$7,536,873	4.5%	\$7,876,032
Health benefits	\$1,405,189	\$0	\$1,405,189	4.0%	\$1,461,397
<b>M&amp;S-External</b>			\$0		
Electricity	\$9,436	\$0	\$9,436	2.2%	\$9,644
Natural Gas	\$24,766	\$0	\$24,766	2.2%	\$25,311
Water/sewer	\$19,279	\$0	\$19,279	4.2%	\$20,089
Other utilities and garbage	\$7,976	\$0	\$7,976	2.9%	\$8,207
Fuel	\$0	\$0	\$0	2.4%	\$0
PTE services	\$16,786	\$0	\$16,786	3.1%	\$17,306
Other services	\$711,000	\$0	\$711,000	3.1%	\$733,041
Materials	\$0	\$0	\$0	3.1%	\$0
<b>M&amp;S-Internal</b>			\$0		
Fleet Services	\$0	\$0	\$0	3.8%	\$0
Print/Distribution	\$17,859	(\$123)	\$17,736	3.7%	\$18,392
Facilities Services	\$867,509	(\$2,537)	\$864,972	3.6%	\$896,111
EBS Services	\$153,943	\$0	\$153,943	3.8%	\$159,793
BTS	\$227,071	\$0	\$227,071	3.9%	\$235,927
Workers' Comp	\$78,060	(\$96)	\$77,964	3.6%	\$80,771
Insurance & Claims	\$82,547	(\$58)	\$82,489	1.1%	\$83,355
Other inter-fund services (OMF-PBOT-Parks-HR)	\$664,221	\$0	\$664,221	3.8%	\$689,248
<b>Capital</b>	\$220,380	\$0	\$220,380	3.1%	\$227,212
<b>Sub-total Bureau Program Expenses</b>	<b>\$12,042,895</b>	<b>(\$2,814)</b>	<b>\$12,040,081</b>		<b>\$12,541,836</b>
Debt Service	\$611,225	\$0	\$611,225	0.0%	\$611,225
Fuel Station Debt Service	\$9,328	\$0	\$9,328	0.0%	\$9,328
Fund balance/contingency	\$18,800	\$0	\$18,800	0.0%	\$18,800
Major maintenance/replacement not included above	\$0	\$0	\$0	0.0%	\$0
<b>Total</b>	<b>\$12,682,248</b>	<b>(\$2,814)</b>	<b>\$12,679,434</b>		<b>\$13,181,189</b>
<b>Plus/minus systemic cost increases</b>					
PERS Debt debt service change					\$0
PERS rate increase adjustment					\$275,178
EBS debt service decrease					\$0
Data Center Move					(\$23,298)
DCTU tool allowance increase					\$29,000
DCTU Tentative Agreement Impact					\$5,800
<b>Adjusted Target Rate Budget</b>					<b>\$13,467,869</b>
<b>Overall % change from Adopted Budget</b>					<b>6.2%</b>
Initial FY 2019-20 target rate budget					\$13,467,869
Less debt service budget					(\$611,225)
FY 2019-20 target rate budget less debt service					\$12,856,644
Less outside agency revenue at 1.79% of budget					(\$230,134)
Base for calculating 99% CSL budget					\$12,626,510
99% CSL budget					\$12,500,245
Add back outside agency supported budget					\$230,134
Add back debt service					\$611,225
Total FY 2019-20 target rate budget (99% CSL budget plus debt service plus outside agency)					\$13,341,604
<b>Adjusted Target Rate Budget</b>					<b>\$13,341,604</b>

## Rate Transparency Comparison

### Office of the CAO - CityFleet

Rate	FY 2018-19	FY 2019-20	% Change	FY 2019-20 Rate Budget
Hourly Rate	\$ 119.10	\$ 125.70	5.5%	\$10,067,657
Parts	23.0%	23.0%	0.0%	\$833,884
Fuel	\$ 0.12	\$ 0.17	41.7%	\$283,490
Vended	5.9%	5.9%	0.0%	\$63,919
Shop Consumables	1.3%	1.2%	-7.7%	\$125,000
Rentals/Leases	5.5%	5.3%	-3.6%	\$75,764
Motor Pool Hourly	\$ 7.93	\$ 8.25	4.0%	\$136,166
Acquisition Program	9.36%	9.42%	0.6%	\$1,934,425

#### Narrative on variances

Hourly rate – The rate increased as a result of a reduction in billable hours based on a three-year average used in the calculation and an increase in the PERS rate for employees.

Fuel rate – The rate increased as a result of reducing the estimated gallons of fuel consumed for FY 19-20. Gallons are calculated on a three year average for both bio-diesel and unleaded. Personnel services also increased with more staff time towards ensuring billings are completed.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Miscellaneous	9,128	10,752	2,879	2,669	2,669	0
<b>Total External Revenues</b>	<b>9,128</b>	<b>10,752</b>	<b>2,879</b>	<b>2,669</b>	<b>2,669</b>	<b>0</b>
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Beginning Fund Balance	875,615	869,826	631,700	0	0	0
<b>Total Resources</b>	<b>884,743</b>	<b>880,578</b>	<b>634,579</b>	<b>2,669</b>	<b>2,669</b>	<b>0</b>
<b>Requirements</b>						
External Materials and Services	0	2,050	0	0	0	0
Internal Materials and Services	5,786	79,266	1,921	578	578	0
Capital Outlay	0	156,982	621,167	0	0	0
<b>Total Bureau Expenditures</b>	<b>5,786</b>	<b>238,298</b>	<b>623,088</b>	<b>578</b>	<b>578</b>	<b>0</b>
Fund Transfers - Expense	9,131	10,580	11,491	2,091	2,091	0
<b>Total Fund Expenditures</b>	<b>9,131</b>	<b>10,580</b>	<b>11,491</b>	<b>2,091</b>	<b>2,091</b>	<b>0</b>
Ending Fund Balance	869,826	631,699	0	0	0	0
<b>Total Requirements</b>	<b>884,743</b>	<b>880,577</b>	<b>634,579</b>	<b>2,669</b>	<b>2,669</b>	<b>0</b>

## Fund Overview

On November 7, 1998, the citizens of Portland authorized the sale of \$53.8 million in general obligation bonds to support a \$66.2 million program to improve the City's emergency facilities, including:

- ◆ Seismic upgrades to allow firefighters to effectively respond to an earthquake in the metropolitan area;
- ◆ Relocation and construction of new facilities to meet the goal of a four-minute response time to emergency calls;
- ◆ Renovation of facilities to be consistent with the evolving mission of Portland Fire & Rescue;
- ◆ Response to Americans with Disabilities Act accessibility requirements;
- ◆ Changes to fire stations for female firefighter accommodations; and
- ◆ Response to some emergency facilities approaching the end of their useful lives.

The program is complete. The remaining funds will be held in a materials and services account for funding Fire & Rescue capital facilities needs.

**Managing Agency** Office of Management & Finance, Office of the Chief Administrative Officer

## Significant Changes from Prior Year

In FY 2019-20, the balance of the fund will be placed in a capital account for Fire & Rescue station roof replacements.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Intergovernmental	10,503	0	0	0	0	0
Miscellaneous	111,211	35,686	0	0	0	0
<b>Total External Revenues</b>	<b>121,714</b>	<b>35,686</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Internal Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Beginning Fund Balance	19,217,694	4,941,296	1,213,625	0	0	0
<b>Total Resources</b>	<b>19,339,408</b>	<b>4,976,982</b>	<b>1,213,625</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Requirements</b>						
Personnel Services	224,703	0	0	0	0	0
External Materials and Services	8,392,258	700	0	0	0	0
Internal Materials and Services	909,028	65,156	0	0	0	0
Capital Outlay	4,569,074	2,075,708	1,053,738	0	0	0
<b>Total Bureau Expenditures</b>	<b>14,095,064</b>	<b>2,141,564</b>	<b>1,053,738</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund Transfers - Expense	303,049	1,621,793	159,887	0	0	0
<b>Total Fund Expenditures</b>	<b>303,049</b>	<b>1,621,793</b>	<b>159,887</b>	<b>0</b>	<b>0</b>	<b>0</b>
Ending Fund Balance	4,941,296	1,213,625	0	0	0	0
<b>Total Requirements</b>	<b>19,339,409</b>	<b>4,976,982</b>	<b>1,213,625</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Fund Overview

On November 2, 2010, the citizens of Portland authorized the sale of \$72.4 million in general obligation bonds to support a \$104 million program to improve the City's public safety infrastructure, including:

- ◆ Replacement of fire apparatus
- ◆ Construction of a fire station
- ◆ Construction of an Emergency Coordination Center
- ◆ Replacement of the City's 800 MHz radio system

The Public Safety General Obligation Bond Fund was approved by Council in December 2010 to account for these projects.

**Managing Agency** Office of Management & Finance, Office of the Chief Administrative Officer

## Significant Changes from Prior Year

The program will be completed in FY 2018-19 and the fund will be closed.

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
<b>Resources</b>						
Charges for Services	9,389,015	10,074,464	6,143,126	6,441,935	6,441,935	
Intergovernmental	1,933,539	1,881,245	1,817,409	1,767,446	1,767,446	
Miscellaneous	98,095	129,447	35,000	222,060	222,060	
<b>Total External Revenues</b>	<b>11,420,649</b>	<b>12,085,156</b>	<b>7,995,535</b>	<b>8,431,441</b>	<b>8,431,441</b>	
Interagency Revenue	55	0	0	0	0	
<b>Total Internal Revenues</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Beginning Fund Balance	7,970,062	7,312,293	10,187,619	9,000,000	9,000,000	
<b>Total Resources</b>	<b>19,390,767</b>	<b>19,397,449</b>	<b>18,183,154</b>	<b>17,431,441</b>	<b>17,431,441</b>	
<b>Requirements</b>						
Personnel Services	379,665	411,779	480,790	501,867	501,867	
External Materials and Services	5,052,944	3,351,799	3,542,464	3,924,250	3,924,250	
Internal Materials and Services	185,268	318,880	320,431	385,997	385,997	
Capital Outlay	1,803,114	2,136,664	2,457,000	1,700,000	1,700,000	
<b>Total Bureau Expenditures</b>	<b>7,420,992</b>	<b>6,219,122</b>	<b>6,800,685</b>	<b>6,512,114</b>	<b>6,512,114</b>	
Debt Service	4,524,078	2,842,127	3,441,592	3,442,375	3,442,375	
Contingency	0	0	7,730,539	7,254,863	7,254,863	
Fund Transfers - Expense	133,406	148,579	210,338	222,089	222,089	
<b>Total Fund Expenditures</b>	<b>4,657,484</b>	<b>2,990,706</b>	<b>11,382,469</b>	<b>10,919,327</b>	<b>10,919,327</b>	
Ending Fund Balance	7,312,293	10,187,621	0	0	0	
<b>Total Requirements</b>	<b>19,390,769</b>	<b>19,397,449</b>	<b>18,183,154</b>	<b>17,431,441</b>	<b>17,431,441</b>	

## Fund Overview

The Spectator Venues & Visitor Activities Fund (SVVAF) is a self-sustaining, enterprise fund established to provide oversight of City-owned spectator and performing arts facilities and to support City travel, tourism, and visitor development efforts. The fund accounts for resources and requirements for program activities and administration of the facilities. Additionally, it is responsible for City-obligated direct expenses at the City-owned facilities and payments on certain debt obligations.

Major program activities include: facility operations, maintenance, repair and capital improvements; financial planning and contract administration; special projects; and liaison activities among City bureaus, other governmental agencies, and private parties, including a broad range of organizations engaged in travel, tourism, and visitor development activities.

## Rose Quarter

Rose Quarter facilities include: the Moda Center, Veterans Memorial (VMC) Coliseum, East/West Parking Garages, Plaza, Benton Lot, and Phase II Lot. The Moda Center is the home venue for the Portland Trail Blazers, a National Basketball Association franchise team. The VMC is the home venue for the Portland Winterhawks, a Western Hockey League franchise team. The Rose Quarter venues host a variety of other sports, entertainment, community, and arts/ cultural events, as well as a variety of expositions, conferences, and trade shows. User fees and parking receipts from the Rose Quarter's venues account for over 75% of the annual projected revenue for the fund.

Rose Quarter facilities are operated under several agreements including the Veterans Memorial Coliseum Operating Agreement (VMC OA) and the Arena Ground Lease (AGL). Both of these agreements are nearing their termination dates; the VMC OA in 2023 and the AGL in 2025. Because the Rose Quarter revenues account for such a large proportion of the SVVAF revenue, timely discussion and agreement regarding the future so these agreements is imperative. Agreement timelines have been impacted by the 2018 death of Paul Allen, owner of both the Portland Trail Blazers' NBA franchise and Rip City Management.

### **Providence Park**

Providence Park, a Major League Soccer (MLS) facility since 2011, serves as the home venue for the Portland Timbers, a Major League Soccer franchise team; the Portland State Vikings, a National Collegiate Athletic Association (NCAA) affiliated football team; and the Portland Thorns, a National Women's Soccer League (NWSL) franchise team. The City's share of the 2011 renovation cost is being paid through 20-year bonds that are expected to be retired in FY 2026-27. Final payment on the 20-year bonds for the stadium's 2000 renovation will be made in FY 2022-23.

A 25-year operating agreement with Peregrine Sports, LLC took effect on January 1, 2011, and provided the fund with a gradually increasing flow of revenue from user fees and license payments for the first seven-years of the agreement. Those payments were to significantly decrease in operating-year eight (calendar year 2018). FY 2017-18 was the last year in which any license payments will be made to the City. In late 2017, the City Council approved the final documents allowing a 4,000-seat expansion to the stadium. The \$50+ million project is being paid for by Peregrine Sports and is expected to open in June 2019. To help offset the cost of project, certain limited-term exemptions on payments of surplus user fees owed to the City were granted to Peregrine Sports. The result of the exemptions, and the end of the license payments mean that the City will not collect revenue from the stadium until 2022 and will not collect surplus user fees on the new expansion seats until 2026. The City's net expenses to operate and maintain Providence Park, and to cover the associated debt service, continues to rely on net income from Rose Quarter operations.

### **Portland's 5 Centers for the Arts**

In FY 2015-16, the Portland's 5 Centers for the Arts venues were added to the SVVAF program portfolio. The Portland's 5 venues, which are operated on the City's behalf by Metro, consist of three buildings: Keller Auditorium, Schnitzer Concert Hall, and Antoinette Hatfield Hall. SVVAF staff continue to work with Metro on needs assessments for each building and is currently engaged in an effort to develop seismic retrofit options for the Keller Auditorium. Other than a one-time contribution in FY 2018-19 to an acoustical shell project at the Arlene Schnitzer Concert Hall, no specific commitment to participate in funding of capital needs at these facilities has been made by the City.

### **Veterans Memorial Coliseum**

Based on a City Council decision in 2010, the SVVAF program, through the Rose Quarter's contracted operators, continues to operate the VMC as a spectator and event facility. The VMC Options Study, which was completed in August 2015, provided City Council with detailed cost estimates and business case analyses of five potential options for renovation of the VMC, as well as options to continue operating the facility in its current condition, close the facility, or deconstruct the building to create a redevelopment site. No specific next steps for this venue were identified for FY 2018-19.

During FY 2016-17 and FY 2017-18, approximately \$5 million was expended from the SVVAF to address deferred maintenance, including a full roof replacement and repair to the fascia. In addition, modest upgrades were made to improve functional building elements, such as concessions, to enhance spectator experience.

Based on a City Council decision in 2010, the SVVAF program, through the Rose Quarter's contracted operators, continues to operate the VMC as a spectator and event facility. The 2015 VMC Options Study provided cost estimates and business case analyses of potential options for renovation of the VMC. SVVAF are working to identify funding for a major renovation of the facility and to identify modest strategic improvements to improve the reliability of the venue and improve the spectator experience.

Between FY 2012-13 and FY 2017-18, approximately \$10 million was expended from the SVVAF to address several major deferred maintenance projects. In addition, modest improvements were made to improve functional building elements, such as concessions, to enhance the spectator experience. The venue's financial performance has improved significantly during this five-year period and is projected to continue to trend positively. FY 2017-18 generated a significant net operating profit due to the Phil Knight Invitational Basketball Tournament in November 2017. However, major capital investments are needed to maintain the long-term viability of the building, exceeding the capacity of the SVVAF.

**Managing Agency**

Office of Management & Finance, Office of the Chief Administrative Officer



CIP

City of Portland  
**C3 - Capital Improvement Plan Summaries**  
 Capital Improvement Plan

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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

Accounting

<b>CAFR Software Replacement (S00037)</b>	New Project: NO	Total Project Cost: 184,500	Area: Citywide
	Confidence Level: Moderate	Original Project Cost: 184,500	Objective: Expansion

**Project Description**

A software program is used to compile the annual Comprehensive Annual Financial Report (CAFR). The software receives data from SAP and organizes it into the required format for governmental fund accounting. Use of a robust technology tool is instrumental in gaining efficiency and accuracy in the process. The current solution is very cumbersome and needs to be replaced, in order to achieve maximum efficiency.

**Revenue Source(s)**

Accounting CIP Budget

Total Requirements	0	98,500	0	0	0	0	0	0
Operating and Maintenance Costs	0	0	0	16,000	16,480	16,974	17,484	66,938

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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
<b>Accounting</b>								
<b>CAFR Software Replacement (S00049)</b>								
		<b>New Project: NA</b>			<b>Total Project Cost: 98,500</b>		<b>Area: NA</b>	
		<b>Confidence Level: Moderate</b>			<b>Original Project Cost: 98,500</b>		<b>Objective: Efficiency</b>	
<b>Project Description</b>								
This software program is used to compile the annual Comprehensive Annual Financial Report (CAFR). The software receives data from SAP and organizes it into the required format for governmental fund accounting. Use of a robust technology tool is instrumental in gaining efficiency and accuracy in the process. Estimate of FY23-24 to replace system implemented in FY18-19.								
<b>Revenue Source(s)</b>								
Accounting CIP Budget								
Total Requirements		0	0	0	0	0	0	98,500
Operating and Maintenance Costs								98,500

BTS

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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

BTS

<b>P&amp;D Print Management System (B00045)</b>	New Project: YES	Total Project Cost: \$471,648	Area: Citywide
	Confidence Level: Moderate	Original Project Cost: 353,736	Objective: Expansion

**Project Description**

This project will implement a print management system for City multi-function devices (MFD's). A print management system will allow City employees to print to any City MFD from any location. The employee would swipe their identification card or enter a code to print their documents. This will result in secure printing, better tracking of copier usage, less paper usage, and improved administration of the City's system of MFD's.

**Revenue Source(s)**

This project is funded with Printing & Distribution Fund cash and bond sale proceeds.

Total Requirements	0	235,224	235,244	0	0	0	0	235,244
Operating and Maintenance Costs	0	0	0	0	0	0	0	0

<b>Replace Telecomm Management System (C00044)</b>	New Project: NO	Total Project Cost: 1,009,716	Area: Southeast
	Confidence Level: Moderate	Original Project Cost: 294,000	Objective: Replacement

**Project Description**

This project replaces StellarRad with a comprehensive and forward-looking Telecomm Management System. This system will serve to organize and streamline customer support and delivery processes, and will automate financial accounting functions.

**Revenue Source(s)**

Technology Reserves

Total Requirements	0	309,006	425,000	100,000	0	0	0	525,000
Operating and Maintenance Costs								



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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
<b>BTS</b>								
<b>IRNE Construction - Fiber (C00049)</b>								
			New Project: NO		Total Project Cost: 3,403,895		Area: Citywide	
			Confidence Level: High		Original Project Cost: 742,906		Objective: Replacement	
<b>Project Description</b>								
This project appropriates funding for future fiber builds. Anticipated project expenses will include feasibility studies, fiber optic builds, including placement of conduit, fiber, vaults, splicing, construction of building entrances, and fiber management installation on an as-needed basis.								
<b>Revenue Source(s)</b>								
Technology Reserves								
Total Requirements	0	477,686	900,000	500,000	200,000	200,000	200,000	2,000,000
<b>Operating and Maintenance Costs</b>								
<b>IRNE Network Technology Refresh (C00050)</b>								
			New Project: NO		Total Project Cost: 6,477,117		Area: Citywide	
			Confidence Level: Moderate		Original Project Cost: 653,316		Objective: Replacement	
<b>Project Description</b>								
This project includes capital and lifecycle improvements to the existing Integrated Regional Network Enterprise (IRNE) infrastructure. Work includes capacity upgrades and end-of-life equipment replacement. Upgrades are needed in order to provide the capacity to meet current and future IRNE and wide area network bandwidth requirements and maintain reliability, functionality, and vendor support.								
<b>Revenue Source(s)</b>								
Interagency Revenues and Technology Reserves								
Total Requirements	0	482,856	1,500,000	1,000,000	1,000,000	0	0	3,500,000
<b>Operating and Maintenance Costs</b>								

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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
<b>BTS</b>								
<b>Enterprise Network Technology Refresh (C00055)</b>								
			New Project: NO		Total Project Cost: 7,060,375		Area: Citywide	
			Confidence Level: Moderate		Original Project Cost: 2,913,500		Objective: Replacement	
<b>Project Description</b>								
This project establishes a six-year lifecycle replacement program for network switch and router equipment, providing a technology refresh for the City's computer network infrastructure.								
<b>Revenue Source(s)</b>								
Technology Reserves								
Total Requirements	0	369,492	419,900	218,900	221,000	176,000	0	1,035,800
<b>Operating and Maintenance Costs</b>								
<hr/>								
<b>Office 365 Implementation (C00057)</b>								
			New Project: NO		Total Project Cost: 2,202,068		Area: Citywide	
			Confidence Level: Moderate		Original Project Cost: 1,753,265		Objective: Efficiency	
<b>Project Description</b>								
This project will continue the City's transition to Office 365 by taking advantage of new and changing online services. Focus will be on implementing additional collaboration tools such as SharePoint, Teams, Groups, Planner and others. The project will include proof of concept efforts, governance model design and implementation, training, user education and communication.								
<b>Revenue Source(s)</b>								
Technology Reserves								
Total Requirements	0	143,000	176,000	247,250	204,000	60,000	60,000	747,250
<b>Operating and Maintenance Costs</b>								
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**C3 - Capital Improvement Plan Summaries**  
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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total	
<b>Office of Management &amp; Finance</b>									
<b>BTS</b>									
<b>Enterprise Mobility Management (C00072)</b>									
	<b>New Project: NO</b>			<b>Total Project Cost: 785,702</b>			<b>Area: Citywide</b>		
	<b>Confidence Level: Moderate</b>			<b>Original Project Cost: 87,500</b>			<b>Objective: Efficiency</b>		
<b>Project Description</b>									
This phase of Enterprise Mobility Management includes a pilot project and implementation of mobile data management to manage the City's non-Windows 10 mobile devices. This will include work necessary for building out BTS capabilities with Netmotion to make it available Citywide. It also includes work supporting Police mobility to fully license the infrastructure to support smart phones and tablets in the Police Bureau to Criminal Justice Information Services (CJIS) Security Policy standards.									
<b>Revenue Source(s)</b>									
Prior year carryover funds									
Total Requirements		0	558,517	300,000	0	0	0	0	300,000
Operating and Maintenance Costs									













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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

BTS

**Secondary Data Center (C00091)**      **New Project: YES**      **Total Project Cost: 873,000**      **Area: Citywide**  
**Confidence Level: Moderate**      **Original Project Cost: 873,000**      **Objective: Replacement**

**Project Description**

This project will follow on the successful completion of the Data Center Move project. The project will allow for the deployment of appropriate firewall, VPN, and multi-factor technologies to provide remote access to City resources at the secondary data center in the event the primary data center is unavailable.

**Revenue Source(s)**

Data Center Funding

Total Requirements	0	0	609,000	264,000	0	0	0	873,000
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Operating and Maintenance Costs

**Server Automation & Monitoring Tools (C00092)**      **New Project: YES**      **Total Project Cost: 332,361**      **Area: Citywide**  
**Confidence Level: Moderate**      **Original Project Cost: 332,361**      **Objective: Replacement**

**Project Description**

This project will investigate automation and monitoring capabilities and toolsets for server infrastructure to reduce the ongoing operational impacts of building new servers, retiring old servers, controlling configuration drift, performing monthly patching, and reporting on overall system and service health, complete with trending information.

**Revenue Source(s)**

Technology Reserves

Total Requirements	0	0	112,341	169,581	50,439	0	0	332,361
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Operating and Maintenance Costs





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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

**BTS**

<b>Channel Bank Sustainability (C00097)</b>	New Project: YES	Total Project Cost: 75,000	Area: Citywide
	Confidence Level: High	Original Project Cost: 75,000	Objective: Replacement

**Project Description**

This project will replace aging Radio cards in 800 MHz System site channel banks. Channel banks allow for communications to other outside systems and interfaces. The existing cards are now more than five years old and will soon begin failing.

**Revenue Source(s)**

Technology Reserves

Total Requirements	0	0	75,000	0	0	0	0	75,000
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Operating and Maintenance Costs

<b>Communications Center Ice Bridge (C00098)</b>	New Project: YES	Total Project Cost: 25,000	Area: Citywide
	Confidence Level: Moderate	Original Project Cost: 25,000	Objective: Maintenance-Safety

**Project Description**

This project will construct an ice bridge at the Communications Center to protect people from ice falling from the radio tower.

**Revenue Source(s)**

Technology Reserves

Total Requirements	0	0	25,000	0	0	0	0	25,000
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Operating and Maintenance Costs



**C3 - Capital Improvement Plan Summaries**  
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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
CityFleet								
<b>Replace and Construct Fueling Stations (F00004)</b>								
		<b>New Project: NO</b>			<b>Total Project Cost: \$13,620,155</b>		<b>Area: Central City</b>	
		<b>Confidence Level: Low</b>			<b>Original Project Cost: \$13,620,155</b>		<b>Objective: Expansion</b>	
<b>Project Description</b>								
Based on results from a recently completed Citywide project ranking process, the City of Portland has identified a need to replace aging fueling system infrastructure at five locations across the city. These locations include SW First and Jefferson garage, Interstate Yard, Mt Tabor Yard, Columbia Blvd Wastewater Treatment Plant, and Penumbra Kelly Building. The total cost of these replacements is estimated at \$9.7 million (low confidence). Additionally, the Bureau of Emergency Management has identified a need to increase emergency preparedness by developing fueling sites on the west side of the Willamette and east of Highway 205. These projects are estimated at \$3.9 million (low confidence).								
<b>Revenue Source(s)</b>								
The program will be funded through cash received from the General Fund in FY 2014-15 (\$1.2M) and a debt financing (\$12.4M).								
Total Requirements	0	4,949,778	6,014,331	0	0	0	5,952,295	11,966,626
Operating and Maintenance Costs								





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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
CityFleet								
<b>FY 2019-20 Golf Vehicle Replacement (FVGF20)</b>								
			New Project: YES		Total Project Cost: \$18,460		Area: Central City	
			Confidence Level: High		Original Project Cost: \$18,460		Objective: Replacement	
<b>Project Description</b>								
Scheduled replacement of vehicles and equipment for the Golf Fund. This project is funded by interagency revenues.								
<b>Revenue Source(s)</b>								
This project is funded by interagency revenues.								
Total Requirements	0	0	18,460	0	0	0	0	18,460
Operating and Maintenance Costs								
<hr/>								
<b>FY 2019-20 Parks Vehicle Replacement (FVPK20)</b>								
			New Project: YES		Total Project Cost: \$1,068,690		Area: Central City	
			Confidence Level: High		Original Project Cost: \$1,068,690		Objective: Replacement	
<b>Project Description</b>								
Scheduled replacement of vehicles and equipment for the Parks Bureau. This project is funded by interagency revenues.								
<b>Revenue Source(s)</b>								
This project is funded by interagency revenues.								
Total Requirements	0	0	1,068,690	0	0	0	0	1,068,690
Operating and Maintenance Costs								



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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
<small>FRS</small>								
<b>SAP Suite on HANA (C00099)</b>								
		New Project: YES		Total Project Cost: 2,191,000		Area: Citywide		
		Confidence Level: Moderate		Original Project Cost: 2,191,000		Objective: Expansion		
<b>Project Description</b>								
This project will keep the City's SAP system current by positioning it to move to SAP's In-Memory HANA database, titled Suite on HANA. Moving to Suite on HANA will address several current business needs including a more modern user interface available on desktops, tablets and mobile devices; increased throughput; and improved analytics.								
<b>Revenue Source(s)</b>								
EBS Reserves								
Total Requirements	0	0	1,952,400	238,600	0	0	0	2,191,000
<b>Operating and Maintenance Costs</b>								
<hr/>								
<b>Enterprise Asset Management - Real Estate Implementation (C00100)</b>								
		New Project: YES		Total Project Cost: 288,104		Area: Citywide		
		Confidence Level: Moderate		Original Project Cost: 288,104		Objective: Expansion		
<b>Project Description</b>								
This project will provide the City with the functionality needed to meet the new lease accounting requirements for Governmental Accounting Standards Boards Statement No. 87 (GASB-87). GASB-87 requires all leases to be reported as capital leases and eliminates the classification of an operating lease, unless the lease is short-term.								
<b>Revenue Source(s)</b>								
EBS Reserves								
Total Requirements	0	0	288,104	0	0	0	0	288,104
<b>Operating and Maintenance Costs</b>								



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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
<b>Facilities</b>								
<b>Portland Building Reconstruction Project (B00018)</b>								
		<b>New Project: NO</b>			<b>Total Project Cost: 195,000,000</b>		<b>Area: Southwest</b>	
		<b>Confidence Level: Moderate</b>			<b>Original Project Cost: 195,000,000</b>		<b>Objective: Maintenance-Preservation</b>	
<b>Project Description</b>								
In October 2015, Council approved Resolution #37158 in which OMF was directed to complete the Portland Building Reconstruction project by the year 2020 for a cost not to exceed \$195 million. This project is funded using \$9,750,000 in cash, and \$185,250,000 in debt financing.								
<b>Revenue Source(s)</b>								
Total Requirements	0	68,542,749	61,138,383	470,643	0	0	0	61,609,026
<b>Operating and Maintenance Costs</b>								
<b>PCC HVAC Centralization (B00036)</b>								
		<b>New Project: NO</b>			<b>Total Project Cost: 1,000,000</b>		<b>Area: Southeast</b>	
		<b>Confidence Level: Low</b>			<b>Original Project Cost: 1,000,000</b>		<b>Objective: Replacement</b>	
<b>Project Description</b>								
This project designs and constructs a central plant HVAC system to serve all of the rooms collectively. This would create dedicated HVAC equipment for the collective use and allow for future telecommunications loads and needed redundancy. A central plant system eliminates the overall risk to the individual rooms due to isolated equipment failures. The funding source for this project is a one-time surcharge to rental rates paid by tenants (Bureau of Emergency Communications and Bureau of Technology Services). This project is funded from Facilities major maintenance reserves.								
<b>Revenue Source(s)</b>								
Total Requirements	0	900,000	0	0	0	0	0	0
<b>Operating and Maintenance Costs</b>								





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Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

**Facilities**

<b>Portland Building Technology Project (B00044)</b>	New Project: YES Confidence Level: Moderate	Total Project Cost: 3,573,780 Original Project Cost: 3,573,780	Area: Southwest Objective: Expansion
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**Project Description**

This Portland Building technology project includes three technology projects for the reconstructed Portland Building. The three projects are audio/visual technologies for meeting rooms, a room scheduling system, and a digital signage system.

**Revenue Source(s)**

This project is included in the \$195 million Portland Building reconstruction project and is funded with cash (5%) and bonds (95%).

Total Requirements	0	2,680,335	2,091,967	0	0	0	0	2,091,967
Operating and Maintenance Costs	0	0	0	779,000	779,000	779,000	779,000	3,116,000

<b>Portland Building Fitness Center Equipment (B00047)</b>	New Project: YES Confidence Level: High	Total Project Cost: \$92,500 Original Project Cost: \$92,500	Area: Southwest Objective: Replacement
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**Project Description**

This project will purchase equipment for the new fitness center in the reconstructed Portland Building.

**Revenue Source(s)**

Cash collected in prior years from Portland Building tenants

Total Requirements	0	0	92,500	0	0	0	0	92,500
Operating and Maintenance Costs								

City of Portland  
**C3 - Capital Improvement Plan Summaries**  
 Capital Improvement Plan

Run Date: 2/1/19  
 Run Time: 1:31:55 PM

Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

**Facilities**

<b>City Hall Balcony Railing (B00049)</b>	New Project: YES	Total Project Cost: \$250,000	Area: Southwest
	Confidence Level: Low	Original Project Cost: \$250,000	Objective: Maintenance & Repair

**Project Description**

The City Hall council chambers' balcony railing height is not up to code and employees and visitors are subject to risk of a fall. The risk has been mitigated by removing the first row of benches and roping off the area. This reduces the capacity of the balcony by approximately 40 people and negatively impacts the aesthetics of council chambers. This project will design, fabricate, and install a new barrier that meets code, allows for an unimpeded view, and conforms to aesthetic standards.

This project will design, fabricate, and install a new barrier that meets code, allows for an unimpeded view, and conforms to aesthetic standards.

**Revenue Source(s)**

General Fund capital set-aside

Total Requirements	0	0	250,000	0	0	0	0	250,000
Operating and Maintenance Costs								





**C3 - Capital Improvement Plan Summaries**  
Capital Improvement Plan

Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

**Procurement**

<b>Procurement Services Technology Update Project (S00050)</b>	<b>New Project:</b> Confidence Level: High	<b>Total Project Cost: 1,619,275</b> <b>Original Project Cost: 1,619,275</b>	<b>Area: Citywide</b> <b>Objective: Efficiency</b>
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**Project Description**

In FY 18/19, Procurement Services completed the installation of proprietary software programs related to vendor registration, bidding, and compliance tracking, including DMWESB compliance. The new programs overcome significant limitations of previous programs, resulting in major business process efficiencies. A critical need for the necessary tools and reporting capability to provide contracting data to its customers and the public in a timely manner has been realized. In order to make optimum use of the programs, Procurement Services must have adequate funding for user fees, employee training and software upgrades, including future purchases of modular functionality. Financial projections address full system upgrades.

**Revenue Source(s)**

PU Technology Replacement Account, and Bureau IAs

Total Requirements	0	0	211,000	0	0	564,275	0	775,275
Operating and Maintenance Costs	0	0	0	211,000	211,000	211,000	211,000	844,000

**Public Finance and Treasury**



City of Portland  
**C3 - Capital Improvement Plan Summaries**  
 Capital Improvement Plan

Run Date: 2/1/19  
 Run Time: 1:31:55 PM

Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
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**Office of Management & Finance**

Public Finance and Treasury

GovInvest (S00040)

New Project: NO

Total Project Cost: 105855.60

Area: Central City

Confidence Level: High

Original Project Cost:

Objective: Efficiency

**Project Description**

GovInvest is an actuarial modeling and visualization software for pension and other-post-employment benefits (OPEB). liabilities. The City has significant long-term obligations for pension liabilities (FPDR) and OPEB. It is critical that CBO, BHR (Health Fund and Labor Relations), FPDR and BRFS staff have tools to conduct real-time "what if" analyses of these liabilities, and the ability to visually present these analyses to policy makers. FPDR and BHR each contract with their respective actuary for biennial actuarial valuations, but neither firm offers the ability to do "what if" analyses online in real time.

**Revenue Source(s)**

Treasury and IA's with CBO, HR, FPDR

Total Requirements	0	0	34,248	0	0	0	0	34,248
Operating and Maintenance Costs	0	0	0	35,275	36,333	0	0	71,608

Revenue

**C3 - Capital Improvement Plan Summaries**  
Capital Improvement Plan

Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total	
<b>Office of Management &amp; Finance</b>									
<b>Revenue</b>									
<b>Integrated Tax System (S00048)</b>									
	<b>New Project: YES</b>				<b>Total Project Cost: \$26,645,205</b>		<b>Area: Citywide</b>		
	<b>Confidence Level: Low</b>				<b>Original Project Cost: \$26,645,205</b>		<b>Objective: Efficiency</b>		
<b>Project Description</b>									
The Revenue Division must replace its aging tax administration systems with a single integrated tax system that is capable of administering existing and future tax programs, improves reliability of our technical support structure, allows the secure integration of federal tax information (FTI), and increases our customer service levels to meet today's expectations for accessibility and self-service. Implementation costs are captured in the FY 2019-20 decision package; the CIP report shows only post-implementation operations & maintenance budget.									
<b>Revenue Source(s)</b>									
TBD									
Total Requirements		0	0	9,982,950	9,253,379	7,408,876	0	0	26,645,205
Operating and Maintenance Costs		0	0	0	0	0	1,369,037	900,000	2,269,037

Bureau Name	Project Code - Name	New Project	Project Total
Office of Management & Finance	B00018 - Portland Building Reconstruction Project	NO	195,000,000
Office of Management & Finance	B00036 - PCC HVAC Centralization	NO	1,000,000
Office of Management & Finance	B00037 - For various City Hall Security Upgrades	NO	50,000
Office of Management & Finance	B00038 - Jasmine Block - 4th and Montgomery	YES	20,580,000
Office of Management & Finance	B00039 - Space Optimization	YES	\$18,858,000
Office of Management & Finance	B00040 - New Portland Building Daycare	YES	\$2,400,000
Office of Management & Finance	B00044 - Portland Building Technology	YES	3,573,780
Office of Management & Finance	B00045 - TPB Print Management Project	YES	\$471,648
Office of Management & Finance	B00047 - Portland Building Fitness Center Equipment	YES	\$92,500
Office of Management & Finance	B00049 - City Hall Balcony Railing	YES	\$250,000
Office of Management & Finance	B00050 - Upgrades to City Hall's Audio / Visual T	YES	483206
Office of Management & Finance	C00044 - Replace Tele. Management System	NO	1,009,716
Office of Management & Finance	C00046 - Wireless Network 802.11n Deployment	NO	1,444,879
Office of Management & Finance	C00047 - SAN Storage Expansion	NO	9,275,086
Office of Management & Finance	C00049 - IRNE Construction - Fiber	NO	3,403,895
Office of Management & Finance	C00050 - IRNE Network Technology Refresh	NO	6,477,117
Office of Management & Finance	C00055 - Enterprise Network Technology Refresh	NO	7,060,375
Office of Management & Finance	C00057 - Office 365 Implementation	NO	2,202,068
Office of Management & Finance	C00063 - Cherwell Capability Expansion	NO	3,138,771
Office of Management & Finance	C00070 - Smart Card Technology	NO	277,600
Office of Management & Finance	C00072 - Enterprise Mobility	NO	785,702
Office of Management & Finance	C00074 - Mobile Application Management	NO	584,400
Office of Management & Finance	C00082 - Portland Oregon Website Replacement	NO	1,935,988
Office of Management & Finance	C00083 - Workflow Application	YES	494,500
Office of Management & Finance	C00084 - Video Centralized Management Upgrade	YES	550,000
Office of Management & Finance	C00085 - Police Office 365	YES	200,000
Office of Management & Finance	C00087 - Public Safety Future Failover Expansion	YES	300,000
Office of Management & Finance	C00088 - IRNE Fiber Expansion Program	YES	6,250,000

Office of Management & Finance	C00089 - I-Net Capital Improvements	YES	500,000
Office of Management & Finance	C00090 - Public Safety Data Center	YES	1,304,250
Office of Management & Finance	C00091 - Secondary Data Center	YES	873,000
Office of Management & Finance	C00092 - Server Automation & Monitoring Tools	YES	332,361
Office of Management & Finance	C00093 - Data Loss Prevention Program	YES	566,800
Office of Management & Finance	C00094 - Apple Device Support	YES	204,974
Office of Management & Finance	C00095 - Identity Access Management	YES	710,320
Office of Management & Finance	C00096 - Customer Needs - Discovery & Design	YES	75,000
Office of Management & Finance	C00097 - Channel Bank Sustainability	YES	75,000
Office of Management & Finance	C00098 - Communications Center Ice Bridge	YES	25,000
Office of Management & Finance	C00099 - SAP Suite on HANA	YES	2,191,000
Office of Management & Finance	C00100 - EAM - Real Estate Implementation	YES	288,104
Office of Management & Finance	C00101 - Enterprise Asset Management	NO	2,195,318
Office of Management & Finance	C00102 - CGIS LiDAR Data Collection	YES	150,000
Office of Management & Finance	F00004 - Fuel Station Replacement/Construction	NO	\$13,620,155
Office of Management & Finance	FVCF19 - FY2019CityFleet Small Bureau Replacement	YES	2,092,597
Office of Management & Finance	FVCF20 - FY 2019-20 CityFleet Replacement	YES	\$200,480
Office of Management & Finance	FVDS20 - FY 2019-20 BDS Vehicle Replacement	YES	\$107,693
Office of Management & Finance	FVFR20 - FY 2019-20 Fire Vehicle Replacement	YES	\$64,073
Office of Management & Finance	FVGF20 - FY 2019-20 Golf Vehicle Replacement	YES	\$18,460
Office of Management & Finance	FVPK20 - FY 2019-20 Parks Vehicle Replacement	YES	\$1,068,690
Office of Management & Finance	FVPL20 - FY 2020 Police Replacement	YES	\$3,303,942
Office of Management & Finance	FVTR20 - FY 2020 PBOT Replacement	YES	\$3,134,543
Office of Management & Finance	S00029 - DBC Finance	NO	76,982.47
Office of Management & Finance	S00035 - Procurement Technology Update	YES	940,630
Office of Management & Finance	S00037 - CAFR Software Replacement	NO	184,500
Office of Management & Finance	S00040 - GovInvest System	NO	105855.60
Office of Management & Finance	S00048 - Integrated Tax System	YES	\$26,645,205
Office of Management & Finance	S00049 - CAFR Sftwr Rp S00037	NA	98,500
Office of Management & Finance	S00050 - Procurement Sftwr Rpl		1,619,275

City of Portland  
**C4 - Capital Projects by Geographic Area**  
 Capital Improvement Plan

Run Date: 2/1/19  
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Geographic Area	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
<b>Office of Management &amp; Finance</b>								
Central City	0	5,635,054	13,946,460	35,275	36,333	0	5,952,295	19,970,363
Citywide	0	4,798,000	21,445,989	16,089,740	14,718,428	6,407,081	3,473,751	62,134,989
NA	0	0	0	0	0	0	98,500	98,500
Southeast	0	1,329,006	425,000	206,900	56,900	56,900	56,900	802,600
Southwest	0	96,090,558	79,060,060	1,988,460	1,517,817	1,517,817	1,517,817	85,601,971
<b>Total Office of Management &amp; Finance</b>	<b>0</b>	<b>107,852,618</b>	<b>114,877,509</b>	<b>18,320,375</b>	<b>16,329,478</b>	<b>7,981,798</b>	<b>11,099,263</b>	<b>168,608,423</b>
<b>Total</b>	<b>0</b>	<b>107,852,618</b>	<b>114,877,509</b>	<b>18,320,375</b>	<b>16,329,478</b>	<b>7,981,798</b>	<b>11,099,263</b>	<b>168,608,423</b>



# FIVE-YEAR PLAN

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## MF - 100-General Fund- Financial Plan

### Plan Overview

Office of the CAO  
OMF General Fund

#### Major City Project Management

City Council and Directors agreed to work together on a major projects work plan for 2018, and there is agreement on both goals and timelines for permitting changes, Build Portland, and an evaluation of options for an integrated Customer Relationship Management and/or 3-1-1 system. The DCAO will be leading this work plan and strengthening the template for 2019.

#### Business Operations Citywide Support

The Business Operations Division continues to participate in, lead, and/or support Citywide projects such as the Business Operations Leadership Team, the Technology Executive Steering Committee, small bureau support, the direct appointment reporting tool, Citywide training opportunities, Council Office transitions, and others. The Division supports the CAO in identifying and developing efforts to build capacity for business process improvement projects.

Bureau of Revenue and Financial Services  
OMF General Fund

#### Accounting Division

To ensure Accounting Division staff are properly educated and to support career progression opportunities, there is a continuing need for professional development, specifically in the areas of governmental accounting, internal controls, and fraud.

#### Debt Management

##### Regulatory Environment and Disclosure

The U.S. Securities and Exchange Commission (SEC) has recently amended continuing disclosure provisions that expand the definition of a “material event” The inclusion of capital leases in the definition of “financial obligations” will require Debt Management to closely monitor Citywide lease activity.

##### 2017 Federal Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act (TCJA) of 2017 included provisions that eliminated state and local governments’ ability to “advance refund” existing bonds. Looking ahead, Debt Management will consider alternative refunding methods, including forward delivery bonds and open market bond repurchases, which circumvent these timing restrictions to capitalize on market savings opportunities as they occur.

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## Grants Management

To ensure the Grants Management Division staff are knowledgeable and to support career progression opportunities, there is a continuing need for professional development and internal training specifically in the field of federal grant management.

The Grants Management Division is also exploring ways to improve the timing of the outgoing Special Appropriations grants/agreements by proposing funding options to increase staffing to support the program. In addition to an increase in staffing for Special Appropriations, the Grants Management Division is in the process of selecting a grant tracking system.

## Procurement Services

### Reorganization, Staffing and new Service Level Agreements

Procurement Services received approval to add additional staff resources and reorganize to create more customer focused teams. Procurement Services then hired a consulting firm to establish Service Level Agreements (SLAs). With this reorganization, additional staffing and more customer focus, a need for additional support in the form of technology or outside consulting services may arise.

### Disparity Study

A disparity study determines whether a government entity engages in exclusionary practices in the solicitation and award of contracts to minority, women-owned, and disadvantaged business enterprises (MWDBEs). As a best practice, a new Disparity Study should be performed within the next five years.

### Web and Database Technology Upgrades

The development of two specialized tracking and reporting systems was mandated in 1994. Ongoing costs associated with these and subsequent systems include annual maintenance fees to third-party providers and periodic upgrades of both systems and related software.

### Clean Air Contracting Program

The City Council voted to adopt an amendment to the City's Sustainable Procurement Policy, which would phase in requirements for contractors working on City construction projects with contract values over \$1 million to meet engine standards that will reduce emissions of diesel particulate matter. Current projections anticipate the addition of two full-time employees to Procurement Staff.

## Revenue Division

### New Revenue

The Revenue Division advises City Council on the potential and feasibility of new revenue sources to meet the City's operational needs. Revenue Division anticipates continuing in this role over the next five years.

### Clean Energy Surcharge

In November 2018, Portland voters approved the Portland Clean Energy Community Benefits Initiative, which imposes a surcharge to fund clean energy projects and jobs training. The measure requires Portland retailers with total retail annual revenue over \$1 billion and Portland annual retail revenue over \$500,000 to pay a 1% surcharge on gross revenue from retail sales within Portland. Proceeds from the Clean Energy Surcharge (CES), will be placed into a new Portland Clean Energy Community Benefits Fund. The Revenue Division expects to add several positions related to the administration of the CES beginning in FY 2020-21.

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### Integrated Tax System

The Revenue Division must replace its aging tax administration systems. Revenue intends to procure a single integrated tax system (ITS) that can administer existing and future tax programs, improve reliability of the technical support structure, allow the secure integration of federal tax information (FTI), and increase our customer service levels to meet today's expectations for accessibility and self-service.

### IRS Data Exchange

The Revenue Division has implemented a direct exchange of (FTI) with the U.S. Internal Revenue Service (IRS). To fully benefit from the FTI exchange, additional employees are necessary on an ongoing basis to administer the IRS agreement and facilitate the exchange of data.

### Treasury

The Treasury Division will function as a resource to City bureaus through an outreach program which includes enhanced financial tools, treasury management consultation, and training. In early 2019, the Treasury Division will be developing a new Cash Handling and Fraud Prevention awareness program.

### Investment Program

In December 2018, the City Council authorized the investment of City cash in a select list of highly-rated corporate debt securities. These new investments in corporate securities will help to diversify the City's portfolio and provide an opportunity to earn additional yield over alternative investment types, such as U.S. Treasury and U.S. Agency securities.

### Bureau of Human Resources

**Workforce Recruitment and Training** This program is seeking 1.0 FTE in the FY 2019-20 budget cycle to centralize the hiring practices of casual, temporary, and seasonal employees. Reporting on all employees including temporary staff, as well as posting positions with the state employment agency is a requirement of the Office of Federal Contract Compliance Programs (OFCCP).

**Employment and Labor Relations** This program proposes to add an additional Human Resources Business Partner to Employee Relations, and an additional HR Analyst position. An additional HR Business Partner would allow BHR to meet the daily demand for services in a more efficient manner. Deploying the City's new online performance review system, SAP SuccessFactors, will demand ongoing maintenance and centralized support. An additional Analyst would allow BHR to support bureaus with process changes, customizations, routine maintenance, and ongoing form adjustment requirements, and communications related to the new system.

**Operations and Strategic Support** Addition of a HR Communications Specialist position will be vital as HR processes continue to change. This position will be responsible for implementing an effective communications strategy for the bureau. Video and audio are powerful tools to get important information out to the workforce and are currently underused.

## Revenue Assumptions

The Office of Management and Finance General Five-Year Plan includes a mix of general fund discretionary, overhead, interagency, and other fund activity. Revenue assumptions include standard inflation factors for staffing and materials and supplies.

## Revenue Risks to Forecast

The Office of Management and Finance General Fund risks have generally followed citywide trends and policy impacts. Impactful trends and decisions include personnel PERS costs increasing significantly on an annual basis, reorganizations and reassignment of responsibilities without additional appropriations, and policy decisions such as historic annual 5% cuts or the most recent 99% budget direction and funding ongoing efforts with one-time appropriations. The confidence level is medium because OMF General Fund revenues are largely contingent upon citywide trends and decisions noted herein and at times are disconnected with even the most positive economic indicators.

## Expenditure Assumptions

In addition to citywide economic trends and policy decisions above, the rising cost of personnel services, including the classification and compensation study financial impacts, the pay equity study financial impacts and associated benefits costs, are rising greater than historic inflationary levels for the general fund.

The citywide trends and policy decisions are a risk to maintaining current service level funding, and base level services, if future impacts continue at the current pace.

## Expend Risks to Forecast

Medium. The overall confidence level is medium, given the dependencies described herein and unknown but likely service changes within the five-year horizon.

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Beginning Fund Balance	0	100,000	5,000	5,000	5,000	5,000
Charges for Services	256,500	242,500	249,508	256,345	263,112	270,216
General Fund Discretionary	17,179,493	12,608,112	15,259,715	18,278,150	22,194,822	28,290,300
General Fund Overhead	11,257,092	11,391,013	11,720,213	12,041,347	12,359,239	12,692,938
Interagency Revenue	9,119,298	11,732,803	12,052,298	12,418,833	12,751,403	13,099,971
Intergovernmental	2,156,990	1,847,942	1,901,348	1,953,444	2,005,015	2,059,151
Licenses & Permits	155,000	150,000	154,335	158,564	162,750	167,144

Miscellaneous	1,876,345	2,600,123	2,675,267	2,748,569	2,821,131	2,897,302
<b>Sum:</b>	<b>42,000,718</b>	<b>40,672,493</b>	<b>44,017,684</b>	<b>47,860,252</b>	<b>52,562,472</b>	<b>59,482,022</b>

**Financial Plan**

<b>Major Object Name</b>	<b>Cy Estimate</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Capital Outlay	0	259,748	266,762	273,965	281,362	288,959
External Materials and Services	5,204,758	3,057,768	3,139,609	3,224,377	3,311,436	3,400,847
Internal Materials and Services	4,295,445	4,158,226	4,269,422	4,380,579	4,494,520	4,611,498
Personnel	32,500,515	33,196,751	36,341,891	39,981,331	44,475,154	51,180,718
<b>Sum:</b>	<b>42,000,718</b>	<b>40,672,493</b>	<b>44,017,684</b>	<b>47,860,252</b>	<b>52,562,472</b>	<b>59,482,022</b>

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## MF - 700-Health Insurance Op- Financial Plan

### Plan Overview

The Health Insurance Fund collects revenue and pays expenses incurred for medical, dental, vision and prescription drug claims, claims administration, internal administration, chronic disease management, and stop-loss insurance for the insured programs (e.g. Kaiser medical/dental/vision, life insurance and disability programs) and self-funded CityCore, CityBasic and dental programs elected by most City employees, COBRA enrollees, retirees and other casual employees who gain access to coverage through the Affordable Care Act or a collective bargaining agreement. This Operating Fund is separate from the PPA Health Fund.

### Revenue Assumptions

The City projects its health fund costs over a five-year forecast period. AON Consulting assists the City in its continuing plan design, review, and preparation of the five-year forecast. It is important to note the forecast is based on several assumptions that may not remain static over a five-year period. As a result, the actual fund balance is expected to vary from what is projected within the forecast. Updates are provided to the City every six months.

### Revenue Risks to Forecast

Revenues for the Health Fund are based on medical claims experience and are fixed once set at the beginning of the budget process. However, there may be some volatility in establishing risk within the five year forecast, there should be low risk in the determining revenues over the short term, barring any catastrophic event that would impact the normal large claims risk of the Health Plan.

## Expenditure Assumptions

Based on the most recent forecast in December 2018, AON Consulting anticipates a rate increase of 5.5% for medical plans in FY 2019-20 and anticipates the average annual growth to be 6% over the five-year forecast period. The City will continue to pursue effective chronic disease management programs and evaluate plan design options to reward employees for healthy behaviors as a strategy to moderate future cost growth. The projected FY 2019-20 rate increase and annual growth assumptions by AON Hewitt Consulting does include the use of a calculated reserve subsidy valued at 2%. It is anticipated that funds will be available to lower increases by 1% per year for FY 2020-21 and beyond. Increased claims experience could result in higher than expected costs and could lead to changes within plan design to mitigate future impacts.

## Expend Risks to Forecast

In FY 2017-18, the City increased the premium equivalent rates for the self-insured plan by 2.9%. There was expected use of reserve dollars to fund claims. Although the City has experienced lower medical claims over the prior two years, claims for illness such as cancer increased during 2017--18. Ensuring the City has programs in place for early detection of cancer and/or related risk factors will be important in the years to come. Health care costs are vulnerable to catastrophic illnesses or accidents and the City could see an increase of up to 5.5% in medical claims in the upcoming years.

Prescription drug costs were well contained during the 2017-18 plan year as Express Scripts continues to perform well within a restricted drug formulary, and higher rebate terms. Prescription drug costs are expected to trend lower than medical trends and inflation because of continued management and rebates under this program

The City will continue to monitor all State and Federal legislative efforts to change how the City administers and or tracks It's benefits program.

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Beginning Fund Balance	22,940,720	19,076,761	17,049,393	17,509,727	17,982,489	18,468,017
Charges for Services	105,623,563	110,638,842	117,946,009	122,995,876	128,236,384	133,793,494
Interagency Revenue	237,499	256,238	264,287	273,190	282,066	291,048
Miscellaneous	574,005	661,029	655,045	674,826	694,820	715,171
<b>Sum:</b>	<b>129,375,787</b>	<b>130,632,870</b>	<b>135,914,734</b>	<b>141,453,619</b>	<b>147,195,759</b>	<b>153,267,730</b>

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Contingency	19,076,761	17,049,393	17,509,727	17,982,489	18,468,017	18,966,653
Debt Service	43,046	45,660	47,485	49,389	51,365	53,419
External Materials and Services	107,514,596	110,704,593	115,420,753	120,333,684	125,491,089	130,886,322

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Fund Transfers - Expense	321,396	274,410	282,985	290,454	298,403	306,282
Internal Materials and Services	443,889	424,628	437,791	449,175	461,302	473,294
Personnel	1,976,099	2,134,186	2,215,993	2,348,428	2,425,583	2,581,760
<b>Sum:</b>	<b>129,375,787</b>	<b>130,632,870</b>	<b>135,914,734</b>	<b>141,453,619</b>	<b>147,195,759</b>	<b>153,267,730</b>

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## MF - 707-PPA Health Insurance- Financial Plan

### Plan Overview

The PPA Health Operating Insurance Fund collects revenue and pays expenses incurred for medical, dental, vision and prescription drug claims, claims administration, internal administration, chronic disease management, and stop-loss insurance for the self-funded CityNet medical and dental/vision programs and the insured programs (e.g. Kaiser medical/dental and vision). Sworn employees of the Police Bureau who are members of the Portland Police Association (PPA), retirees of the PPA and COBRA participants who are eligible employees or dependents of a PPA member have their claims and premiums managed and paid within this Fund.

### Revenue Assumptions

Health care costs are predominately measured in terms of the premiums the City pays to obtain coverage through an insurance carrier (e.g., Kaiser) and the “premium equivalents” assessed for the City’s self-insured health and dental plans. The City generally shares the cost of its medical, dental, and vision plan offerings with full-time employees by contributing 95% of the total cost with employees contributing the remaining 5% balance. All covered employees enrolled in the City’s CityNet or Kaiser medical plan (not eligible dependents) are incented to seek preventive care services (physical check-up once every two calendar years) with their primary care provider to maintain their 5% bundled premium share. Should a PPA member not meet the standard outlined within its collective bargaining contract, the member’s bundled premium share will increase from 5% to 10% when enrolled in the CityNet plan. Kaiser participants will see a 5% increase to their premium share but the way in which the collective bargaining contract is written, there is a separate calculation required. Members of the PPA enrolled in the insured Kaiser option pay a premium share that is equivalent to the difference in value between the CityNet/VSP/Delta Dental bundled option and the participant’s election. Currently, some PPA Kaiser participants do not have a premium share contribution within eligible tiers (e.g., employee, employee +1).

### Revenue Risks to Forecast

Revenues are set for the fiscal year as soon as the rates have been established by AON Consulting.

## Expenditure Assumptions

The City projects its health fund costs over a five-year forecast period. AON Consulting assists the City in its continuing plan design, review, and preparation of the five-year forecast. It is important to note the forecast is based on several assumptions that may not remain static over a five-year period. As a result, the actual fund balance is expected to vary from what is projected within the forecast. Updates are provided to the City every six months.

## Expend Risks to Forecast

The City will continue to pursue effective chronic disease management programs and evaluate plan design options to reward employees for healthy behaviors as a strategy to moderate future cost growth. The projected FY 2019-20 rate recommendations and annual growth assumptions by AON Consulting does not include calculated reserve subsidies.

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Beginning Fund Balance	11,225,903	12,909,372	14,543,917	16,109,505	17,583,454	18,940,006
Charges for Services	17,905,128	18,797,253	19,829,162	20,966,990	22,211,371	23,530,948
Miscellaneous	226,988	258,187	290,878	322,190	351,669	378,800
<b>Sum:</b>	<b>29,358,019</b>	<b>31,964,812</b>	<b>34,663,957</b>	<b>37,398,685</b>	<b>40,146,494</b>	<b>42,849,754</b>

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Contingency	12,909,372	14,543,917	16,109,505	17,583,454	18,940,006	20,154,327
External Materials and Services	16,448,647	17,420,895	18,554,452	19,815,231	21,206,488	22,695,427
<b>Sum:</b>	<b>29,358,019</b>	<b>31,964,812</b>	<b>34,663,957</b>	<b>37,398,685</b>	<b>40,146,494</b>	<b>42,849,754</b>

## MF - 702-CityFleet Operating- Financial Plan

### Plan Overview

#### General background info

The CityFleet Operating Fund accounts for the revenues and expenditures associated with CityFleet's operations. CityFleet's services include vehicle and equipment acquisitions, maintenance operations, fueling stations, parts management, autobody repairs, motor pool, rental programs, and Green Fleet initiatives. CityFleet also provides fleet policies and procedures related to fleet operations and has established Intergovernmental Agreements to provide a regional approach for professional fleet services and sustainability goals.

The fund's major source of revenue is service reimbursement transfers from City bureaus. Outside agencies also pay the City for vehicle maintenance services provided.

CityFleet provides professional and technical municipal fleet vehicle services for approximately 3,900 units comprised of 700 distinct types of vehicles and specialized equipment. Mission-critical service is provided through nine fueling stations. CityFleet is also responsible for emergency generator maintenance, construction equipment rentals, and disposal of vehicles at the end of their useful life.

The fund charges hourly rates, mark-up on parts, supplies, and vended work for repair and maintenance services the fund charges. The fund has rates for the use of vehicles in the motor pool. Finally, the fund charges bureaus to collect funds for the eventual replacement of their vehicles and their share of the acquisitions program.

#### Key issues

##### Kerby-Albina Master Site Plan

The Kerby Garage functionally does not meet the requirements of a modern repair facility. This poses a risk for the City's fleet assets and the ability to support essential services after a major earthquake. The facility needs major repairs, improvements, and reconfiguration.

Redevelopment of the site is necessary, and CityFleet and Portland Bureau of Transportation (PBOT) are developing a comprehensive master plan to address seismic exposures, age, condition, and location under the Fremont Bridge.

##### Fuel Station Upgrades

CityFleet is responsible for the operation of nine fueling sites. To meet Oregon's Department of Environmental Quality's (DEQ) requirements, CityFleet has initiated a project to renovate five sites and add two additional locations. One is west of the Willamette River near the downtown area and the other is on Portland's east side to meet emergency response requirements. Debt financing of \$12M approved by City Council in the FY 2014-15 Fall BMP for their replacement.

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### Green Fleet Initiatives

CityFleet strives to reduce carbon emissions from the fleet in alignment with the Portland Climate Action Plan utilizing biomass-based fuel, hybrid, electric, and compressed natural gas (CNG) technologies.

CityFleet continues to purchase electric vehicles (EV) and identify EV opportunities for other vehicle classes as the technology matures. This expansion of EV and charging station infrastructure presents a need for additional financial resources to meet City emission and renewable energy goals.

### CNG

The Bureau of Environmental Services began a project to use methane produced by the sewage treatment process to generate CNG. The CNG produced will then be used to power City vehicles.

Purchasing CNG-fueled vehicles directly impacts resources. These impacts include significant cost to upgrade garage facilities to comply with the national fire codes which ensure employee and public safety, additional training for technicians, and tools required to be certified to safely work on the CNG fuel systems.

### Staffing Levels

Over the previous eight years the inventory of vehicles that CityFleet is responsible for maintaining has increased by 36%, yet staffing levels have not kept pace. Technician and administrative support staffing levels need to increase to support the growth of the fleet.

### Apprenticeship Program

CityFleet needs to develop an apprenticeship program to meet several goals for fleet recruitment, succession planning, and to sustain the City's organizational and community growth goals.

The program would develop an equitable outreach plan to include traditionally underrepresented communities of color and women.

### Training Program

CityFleet will be reorganizing operations to meet best practices whereas technicians are permanently assigned to specializations focused on a vehicle or equipment type. This will align technical training needs strategically. Expertise will increase and downtime will be reduced increasing vehicle availability for the customer.

### Factory Authorized Warranty Repair

Vehicle manufacturers allow government fleet operations to qualify as original equipment manufacturer (OEM) repair facilities. A warranty administrator position would capture warranty costs internally. Work kept in-house improves turn-around time.

### Garage Capital Equipment Replacement

CityFleet identified a need to establish a strategic garage capital equipment replacement fund. Capital equipment is defined as the equipment necessary to repair and maintain vehicles that have a useful life greater than two years and a cost greater than \$5,000.

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### **Revenue Assumptions**

The forecast is based on current service levels. It assumes revenues will grow at the level of inflation. As a result, it does not include increases in revenue from additional services requested from City bureaus, nor an expansion of services to outside agencies. The projection does assume a debt sale in year five of the plan to fund two new fuel station construction projects.

### **Revenue Risks to Forecast**

The revenue risks to the fund are risks that CityFleet customers will have shrinking revenues and will limit use of services or turn in vehicles. The fund does have a diverse customer base with a diverse mix of funding sources such as General Fund bureaus, PBOT, Bureau of Environmental Services, and Water. Many of these are quite stable. Additionally, customers view their vehicles as very necessary to their operations and have historically not reduced their services from CityFleet nor turned in significant levels of vehicles even when they have had to make budget reductions. Overall, the revenue risk to the fund is medium.

### **Expenditure Assumptions**

For all but capital costs, the forecast is based on current service levels. It assumes expenses will grow at the level of inflation. As a result, it does not include increases in expenses to provide additional services requested from City bureaus, nor an expansion of services to outside agencies.

Capital costs are based on the replacement plan for vehicles reaching end of life in the five-year period, a fuel station replacement project in the first year of the plan, and a new fuel station construction project in year five.

### **Expenditure Risks to Forecast**

The expense risks to the fund are in the area of staff and facilities costs. Many of CityFleet's costs, such as fuel and the price of vehicles, parts, and vended services are passed through to customers at cost. But staff costs and facilities costs are the two largest costs the fund has to keep within inflationary growth levels. Staff costs are subject to changes in union contracts, PERS rate increases, and health benefits inflation. Facilities costs are a risk due to the condition of the fund's main facility, the Kerby Garage which has deferred maintenance and is not an efficient space for operations. Overall, the expense risk to the fund is medium.

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**Financial Plan**

<b>Major Object Name</b>	<b>Cy Estimate</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Beginning Fund Balance	18,641,901	8,479,728	17,740,017	18,925,517	16,388,143	21,894,100
Bond & Note Proceeds	0	6,014,332	0	0	0	0
Interagency Revenue	39,248,787	39,193,115	40,326,659	41,430,996	42,525,093	43,674,599
Intergovernmental	1,401,147	1,319,424	1,357,584	1,394,761	1,431,593	1,470,291
Miscellaneous	1,163,378	1,394,942	1,435,287	1,474,592	1,513,533	1,554,446
<b>Sum:</b>	<b>60,455,213</b>	<b>56,401,541</b>	<b>60,859,547</b>	<b>63,225,866</b>	<b>61,858,362</b>	<b>68,593,436</b>

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**Financial Plan**

<b>Major Object Name</b>	<b>Cy Estimate</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Capital Outlay	24,917,821	11,125,664	13,564,652	17,272,817	9,568,723	9,591,956
Contingency	8,479,728	17,740,017	18,925,517	16,388,143	21,894,100	27,748,974
Debt Service	623,905	577,861	577,861	577,861	577,861	577,861
External Materials and Services	13,446,098	14,475,712	14,866,556	15,267,953	15,680,188	16,103,553
Fund Transfers - Expense	1,270,393	1,135,976	1,168,831	1,200,839	1,232,550	1,265,867
Internal Materials and Services	2,447,727	2,350,748	2,418,736	2,484,973	2,550,595	2,619,541
Personnel	9,269,541	8,995,563	9,337,394	10,033,280	10,354,345	10,685,684
<b>Sum:</b>	<b>60,455,213</b>	<b>56,401,541</b>	<b>60,859,547</b>	<b>63,225,866</b>	<b>61,858,362</b>	<b>68,593,436</b>

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OMF  
Office of the CAO - CityFleet  
CityFleet Shop Equipment  
Funded Projects

Projects	FY 2019-20 Requested Budget	FY 2020-21 Plan	FY 2021-22 Plan	FY 2022-23 Plan	FY 2023-24 Plan
CityFleet Shop Maintenance Equipment	252,000	220,000	220,000	220,000	220,000
<b>Total 5-Year Plan</b>	<b>\$252,000</b>	<b>\$220,000</b>	<b>\$220,000</b>	<b>\$220,000</b>	<b>\$220,000</b>

Does not include CIP projects

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## MF - 701-Facilities Svcs Op- Financial Plan

### Plan Overview

Facilities Services manages and maintains safe and energy-efficient facilities that support City operations and public use. Services are provided to 3.5 million square feet of buildings and properties including office buildings, police precincts, labs, parking structures, emergency services facilities, telecommunications towers, the Bull Run headworks, and other critical infrastructure, including leases. Services include building maintenance, security and janitorial, property acquisition & management, new construction, tenant improvements, and major renovations.

The fund's primary sources of revenue are service reimbursements from City bureaus for space rental and other services, and revenues from tenants occupying City-owned space.

#### Key issues

##### Asset Management Program Development

Facilities Services is in the process of developing an asset management program based on government and industry best practices to optimize the cost-effective management of building assets over their useful lives. An asset management team is being created within Facilities Services which will be responsible for establishing systems and processes to initiate, manage, and improve asset management practices for 16 OMF-owned and managed buildings valued at approximately \$500 million as well as multiple lease sites and time and material locations. Team members will work with staff and tenants to identify building issues, prioritize work orders according to risk, develop cost-benefit analyses of project alternatives, and develop long-term major maintenance plans for each building that are expected to minimize long-term costs and ensure the long-term sustainability and resiliency of City assets.

##### Asset Management System Implementation

Facilities Services currently has an outdated, unsupported work order and preventative maintenance planning system which is beyond the end of its useful life and must be replaced. Previous attempts to replace the system with a new module within SAP have started and stopped. The plan is to find a solution which will support all three Facilities Services' core functions: maintenance and operations, project management, and property management.

##### Building Major Maintenance Reserve Funding

Facilities Services seeks to increase major maintenance reserves, a component of building rental rates, to industry standard levels as a result of the development of an asset management program. Currently, Facilities Services collects on average 1.0% of building replacement value each year for major maintenance, which is less than the 3% industry standard. Chronic under-funding has resulted in the need for several large General Fund appropriations in recent years, including the Portland Communications Center (911) roof and exterior envelope, the City Hall exterior masonry rehabilitation project, and now the Justice

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Center elevators. Based on projected collections and requirements over the next five years, a majority of OMF owned and managed properties will have an unfunded liability of high priority projects. Included in the FY 2017-18 budget was a budget note requiring Facilities Services to develop a plan for increasing major maintenance funding. Facilities plans to create this plan in the coming year.

#### Security

Recent events have heightened concerns about the security of City employees and members of the public in City facilities. In the FY 2016-17 Fall BMP, City Council approved funding for a comprehensive security review of City-owned properties to be completed by a security consulting firm. The consultants have evaluated risks and vulnerabilities of City properties and provided their recommendations for security enhancements. The consultant's report addresses physical security infrastructure design, security staffing, and policies and procedures. Facilities is convening a Security Stakeholder Steering Committee to develop recommendations for a citywide integrated security program and additional infrastructure to support it. It is also requesting a permanent position for a Security Manager to ensure a consistent and thorough approach to security.

#### Furniture, Equipment, and Supplies Program

In FY 2016-17, City Council approved the Space Optimization project to systematize and provide consistent and efficient furnishings for its staff and public, first in the Portland Building. It also directed completion of a space study in the downtown core to assess long term planning for city bureaus and locations in the downtown core, including consideration for the new 4th and Montgomery project. Procurement Services solicited a furniture vendor for a new citywide contract which not only Facilities Services, but all bureaus can purchase from the same "kit-of-parts" furniture selections to allow for better pricing through purchasing power, and better management by having consistent furniture that works together and that can be moved and maintained together.

All equipment in the Portland Building is being purchased through the Portland Building Reconstruction project and will be consistent throughout the building. Since the first purchase is centralized, and the equipment is now located in shared spaces, Facilities will be responsible for managing, maintaining, and replacing all installed equipment such as refrigerators, dishwashers, and microwaves.

Last, employee support areas including gathering rooms (kitchens), meeting rooms, etc. are shared spaces and as such, Facilities will be responsible for stocking and maintaining these areas to ensure employees are appropriately supported for the intended uses.

Historically, bureaus owned, managed, and maintained their own furnishings, equipment, and supplies without consistent funding set aside to ensure the ongoing support of those assets. With this new centralized approach, Facilities Services is requesting one position to manage the overall program as well as other needs within the new Portland Building, and ongoing funding to set aside a reserve fund for future repair and replacement of furnishings, equipment, and supplies.

This program is beginning in the Portland Building in FY 2019-20; however, it is expected to expand to other buildings such as 4th and Montgomery as they come on-line.

#### Blended downtown office space rental rates

In 2016, the Council approved changing the way office space in the downtown core is charged to bureaus. A single blended downtown office space rental rate will be charged for all office space in the downtown core, except that used by public safety bureaus, Water, BES and

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FPD&R. This includes leased space currently paid for by bureaus. The program will begin in FY 2020-21 when debt service for the reconstruction project and the Fourth and Montgomery Building projects begin. This program will allow Facilities to have a single unified approach for providing office space to bureaus in the downtown core.

#### Citywide Space Planning

As the population of the city grows, the City of Portland has experienced growth in the number of City employees, and as a result the need for more work space. Additionally, the way work is performed is ever changing and the needs of the workforce must be addressed appropriately. These space needs are very diverse, from office space to Police precinct space. There is a significant need to have Citywide space planning done to address all business needs and provide for a coordinated effort to reduce costs and maximize operational efficiencies by collocating bureaus and functions, and placing city services where they can be easily accessed by the community. This coordinated effort would also look at when its best to lease space versus buy or construct new space. This planning effort will also need to address seismic and other resilience issues with City facilities, including the Justice Center.

### **Revenue Assumptions**

The forecast is based on current service levels. It assumes revenues will grow at the level of inflation. As a result, it does not include increases in revenue from additional services requested from City bureaus, nor an increase in the quantity of facilities, other than the Fourth and Montgomery Building which will come on-line during the five-year period.

### **Revenue Risks to Forecast**

The revenue risks to the fund are risks that our customers will have shrinking revenues and have to curtail their use of our services. The fund does have a diverse customer base with a diverse mix of funding sources, such as General Fund bureaus, PBOT, BES, and Water. Many of these are quite stable. Additionally, facilities are a necessary part of our customers' operations and are very difficult to scale up or down. Overall, the revenue risk to the fund is medium-high.

## Expenditure Assumptions

For all but capital costs and major maintenance project costs, the forecast is based on current service levels. It assumes revenues will grow at the level of inflation. As a result, it does not include increases in revenue from additional services requested from City bureaus, nor an increase in the quantity of facilities, other than the Fourth and Montgomery Building which will come on-line during the five-year period.

Capital costs are based on the financial plans for the Portland Building reconstruction project and the Fourth and Montgomery Building construction project. Major maintenance project costs are based on the plans for each building. These plans take into account priority projects and the amount of money in each building's account.

## Expend Risks to Forecast

The expense risks to the fund are in the area of staff costs and the operations and maintenance costs of the buildings the fund owns. Operations and maintenance costs are a risk due to the condition of many of the fund's buildings and the insufficient amount of money set aside in major maintenance reserves for updating or replacing major building systems that are at their end of life. Staff costs are subject to changes in union contracts, PERS rate increases, and health benefits inflation. Overall, the expense risk to the fund is medium-high.

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Beginning Fund Balance	41,635,861	40,225,775	43,429,444	47,351,446	53,078,363	56,217,075
Bond & Note Proceeds	92,370,373	12,323,296	9,650,497	0	0	0
Charges for Services	1,463,149	1,522,357	1,566,387	1,609,282	1,651,779	1,696,429
Fund Transfers - Revenue	5,122,404	8,554,591	4,300,514	4,418,283	4,534,960	4,657,546
Interagency Revenue	29,198,956	33,098,674	39,727,594	40,815,525	41,893,369	43,025,798
Intergovernmental	15,000	2,000,000	2,057,844	2,114,198	2,170,029	2,228,688
Miscellaneous	930,047	72,723,871	3,680,333	3,781,118	3,880,969	3,985,876
<b>Sum:</b>	<b>170,735,790</b>	<b>170,448,564</b>	<b>104,412,613</b>	<b>100,089,852</b>	<b>107,209,469</b>	<b>111,811,412</b>

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Capital Outlay	63,465,799	61,878,246	470,644	0	0	0
Debt Service	6,933,305	8,470,182	22,496,964	12,564,513	12,564,513	12,564,513
Ending Fund Balance	40,225,775	43,429,444	47,351,446	53,078,363	56,217,075	61,722,239
External Materials and Services	48,194,866	43,600,233	20,587,259	20,259,156	23,825,668	22,491,306
Fund Transfers - Expense	1,063,909	1,255,472	1,291,783	1,327,158	1,362,205	1,399,027
Internal Materials and Services	4,615,143	5,446,069	5,603,580	5,757,033	5,909,063	6,068,792
Personnel	6,236,993	6,368,918	6,610,937	7,103,629	7,330,945	7,565,535
<b>Sum:</b>	<b>170,735,790</b>	<b>170,448,564</b>	<b>104,412,613</b>	<b>100,089,852</b>	<b>107,209,469</b>	<b>111,811,412</b>

OMF  
 Facilities Services Fund  
 Funded Operating/Major Maintenance Projects

Projects	FY 2019-20 Total Requested Budget	FY 2020-21 Plan	FY 2021-22 Plan	FY 2022-23 Plan	FY 2023-24 Plan
City Hall - Exterior Masonry, Eco Roof	\$3,738,220				
City Hall - Security Upgrades for Suite Doors	\$40,000				
City Hall - Council Chambers A/V Upgrades	\$468,206				
City Hall - Council Balcony Railing Code Compliance	\$250,000				
1900 Building - 1st Floor Terrazzo Repairs	\$219,477				
1900 Building - Domestic Water Booster Pump Replacement	\$45,849				
1900 Building - Chilled Water Pump Replacement	\$92,554				
1900 Building - Air Handling Unit 1 Replacement	\$683,698				
1900 Building - Generator Replacement**	\$2,177,165				
1900 Building - Carpet and Paint Reserve				\$402,974	
1900 Building - 4th Floor Carpet Replacement				\$237,960	
1900 Building - Elevator Modernization				\$500,000	
1900 Building - ASU-11, 13 Replacements		\$583,701			
PCC - Operations Floor Attic Access	\$151,319				
PCC - Carpet and Paint Reserve	\$300,000				
PCC - Improve Seismic Bracing on Sprinkler System	\$15,000				
PCC - Internal Electrical Upgrade	\$500,000				
PCC - Elevator Modernization		\$287,758			
Justice Center - Elevator Modernization	\$2,850,000				
Justice Center - Exterior Repair and Seal*	\$865,947				
Justice Center - 16th Floor Carpet and Paint				\$304,896	
Justice Center - 15th Floor Carpet and Paint				\$252,000	
Justice Center - 14th Floor Carpet and Paint				\$420,787	
Justice Center - 13th Floor Carpet and Paint				\$659,653	
Kelly Building - Roof Repair	\$97,205				
Kelly Building - Replace Chiller	\$241,164				
Kelly Building - Replace Building Controls	\$345,181				
Kelly Building - Carpet and Paint Reserve				\$241,245	
East Precinct - Replace Casework, Countertops, Paint doors/frame	\$290,000				
East Precinct - Elevator Modernization	\$150,000				
East Precinct - Carpet and Paint Reserve					\$350,000
North Precinct - Elevator Modernization					\$135,000
North Precinct - Seismic Bracing for Sprinklers		\$5,000			
Walnut Park Retail - Exterior Renovation	\$700,000				
St. Johns Precinct - Chiller Replacement	\$141,718				
St. Johns Precinct - Carpet and Paint Reserve					\$175,000
St. Johns Precinct - Elevator Modernization					\$381,860
ECC - City Bypass Line Upgrade	\$100,000				
ECC - Water Tank System Redundancy Study	\$100,000				
ECC - Improve Seismic Bracing on Sprinklers		\$7,500			
	\$14,562,703	\$883,959	\$0	\$3,019,515	\$1,041,860

Does not include CIP projects

\*Indicates shared project with Multnomah County

\*\*Indicates shared project with PSU

OMF  
 Facilities Services Fund  
 Unfunded Operating/Major Maintenance Projects

Projects	FY 2019-20 Total Requested Budget	FY 2020-21 Plan	FY 2021-22 Plan	FY 2022-23 Plan	FY 2023-24 Plan
City Hall - Elevator Modernization					\$500,000
City Hall - Elevator Modernization - Sidewalk Elevator					\$150,000
City Hall - Heat Pumps		208,000			
City Hall - Server Room Cooling System Install				\$97,708	
City Hall - Improve Seismic Bracing on Sprinkler System		10,000			
City Hall - Emergency Power Upgrade			\$265,178		
City Hall - Meeting Rooms and Atrium Furniture Upgrade			\$50,000		
City Hall - Carpet and Paint Reserve					\$300,000
Kelly Building - Roof Replacement			\$912,853		
Kelly Building - MZ3 Replacement		195,464			
Police Training - Roof Replacement		\$2,393,788			
	\$0	\$2,807,252	\$1,228,031	\$97,708	\$950,000

Does not include CIP projects

## MF - 607-Spectator Venues and Visitor Activities- Financial Plan

### Plan Overview

The Spectator Venues & Visitor Activities Fund is a self-sustaining enterprise fund established to provide oversight of City-owned spectator and performing arts facilities and to support City travel, tourism and visitor development efforts. The Fund budgets, monitors, and accounts for resources and requirements for program activities and administration. In addition, the Fund is responsible for City obligated direct expenses at the City-owned Rose Quarter facilities, including but not limited to Veterans Memorial Coliseum (VMC), Plaza and Public Parking Facilities, and the Stadium, which is known as Providence Park, as well as debt service payments on certain obligations. Major program activities include facility operations, maintenance, repair and capital improvements, financial planning and contract administration, special projects, and liaison activities among City bureaus, other governmental agencies, and private parties, including a broad range of organizations engaged in travel, tourism and visitor development activities.

The Fund's revenues are from four primary sources: 1) user fees (aka ticket tax) applied to tickets for events held at the Veterans Memorial Coliseum, Moda Center and Providence Park, 2) parking fees at the City-owned Rose Quarter parking facilities, 3) an annual allocation from the Multnomah County Visitor Facilities Trust Account, which is funded by a 2.5% Transient Lodging Tax Surcharge for reimbursement of a portion of the Stadium Bonds, and 4) an annual allocation from the Multnomah County Visitor Facilities Trust Account for Rose Quarter Facilities and City Tourism Support. Minor revenues come from rents and reimbursements for specified Rose Quarter properties and interest earned on the Fund balance.

The Fund's expenditures are driven by the City's obligations contained in the operating agreements, debt obligations and program personnel costs. Major expenses are incurred for ongoing repair and replacement needs at the facilities and are anticipated to continue to rise in these aging venues.

### Revenue Assumptions

Revenues to the Fund are subject to specific terms contained in a series of agreements with the venue operators. The Rose Quarter facilities are operated by Rip City Management, Providence Park is operated by Peregrine Sports, LLC, and the performing arts facilities are operated by Portland's Center for the Arts, which is part of Metro. The revenue arrangements vary significantly between the different venues according to the terms of the applicable agreements.

Currently, over 75% of Fund revenues come from Rose Quarter operations including user fees and parking fees. These revenues are dependent on the performance of the Rose Quarter

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Venues: how many events are held at the Moda Center and VMC, how many tickets are sold and at what price, and how many event attendees park in the City's garages. Fewer events, lower attendance, lower ticket prices, or fewer cars parking in the garages all impact revenues to the Fund.

The sports and entertainment industry is volatile and subject to significant fluctuation due to trends and issues well beyond the City's control. Key factors to consider in predicting revenues to the Fund include:

- The overall performance of the Portland Trail Blazers including the team's ability to win games and fill the Moda Center. Playoff games generate additional revenues. If fewer games are played for any reason (such as a NBA players' strike) revenue to the Fund is reduced. The same is true of the Portland Winterhawks but on a much smaller scale.
- The number of major concerts that come to Portland and choose to play the Moda Center or VMC has a major impact on revenues to the Fund. A single popular concert that sells out the Moda at high ticket prices can generate over \$100k for the Fund in user fees alone. The number of major concerts in a year can fluctuate significantly.
- An economic downturn would impact attendance and ticket prices at events as people seek to reduce discretionary expenses. Historically, spending on entertainment is among the first to see reductions in an economic downturn and one of the last to recover.

Rose Quarter revenues to the Fund have grown consistently over the past five years as both the Moda Center and VMC have performed well in terms of numbers of events and attendance. In addition to driving strong user fee and parking revenue generation, the VMC has posted net operating profits for each of the past three years. However, in light of the unpredictability of the industry described above, good recent financial performance does not guarantee similar future revenues. In order to prepare for potential and rapid declines in revenues, OMF takes a conservative approach in estimating future revenues. Future revenue growth assumptions are based not on revenues from the most recent years, but rather on an analysis done looking at historic growth rates in both user fees and parking revenues over a longer period, including some more lackluster years. This approach and the maintenance of a minimum operating reserve (estimated to be sufficient to cover a year with no NBA games) helps protect the City's General Fund from any obligation to cover the debt payments on the venues. As part of this conservative approach, no playoff games are assumed in revenue projections, nor is any operating profit from the VMC included.

Rose Quarter revenues to the Fund depend on a series of agreements from the mid-1990s that begin to expire in 2023, which is within the outer years of this five-year plan. The risks to the Fund of these agreements expiring is not yet known and while they are discussed in additional detail in the next section, they are not yet incorporated into this forecast.

In accordance with the 2011 Stadium Operating Agreement and the 2017 amendments related to the expansion project, no revenue will come to the SVVAF from Providence Park until 2022, and then at a much-reduced rate compared to the first seven years of the agreement. As part of the deal allowing the expansion that is currently under construction, the City granted Peregrine Sports limited-duration exemptions on certain revenues that would have otherwise been paid to the City. The actual value of the two exemptions on the City's share of ticket revenue will depend on market conditions, team performance, the number of additional events that are held in the stadium, and other factors, but it is estimated to be worth between \$3.7 and \$5.1 million between 2018 and 2025. Stadium revenues, when they begin to flow to the Fund in 2022, are based on a user fee (ticket tax). Like those from Rose Quarter events, these revenues are somewhat volatile in nature and will fluctuate with team popularity, success on the field and any labor-strike impacts.

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In September 2013, City Council, County Board, and Metro Council approved an amendment to the Visitor Facilities Intergovernmental Agreement (VF IGA) that, among other changes, included a new allocation (from an existing transient lodging tax surcharge) for the City's Rose Quarter properties and other tourism related programs and services. This annual allocation, which is calculated to escalate at 3% per year, is accounted for in the SVVAF budget and included in the fund's financial forecast as an ongoing resource.

OMF is actively seeking additional funding to help support a major VMC renovation. In 2018, the program sought an agreement to fund up to \$40M in bond funding from the City/Metro/County Visitor Facilities Intergovernmental Agreement (VFIGA), but at the current time that discussion is not proceeding, and those revenues are not included in the current forecast. A major VMC project would change this forecast.

### **Revenue Risks to Forecast**

As discussed above, revenues to the Fund are directly linked to the performance of the Rose Quarter venues and their ability to attract and fill seats at events. An economic downturn would negatively impact revenues to the Fund. To mitigate this risk, OMF takes a conservative approach on fund projections and maintains a minimum operating reserve at a level sufficient to fund a year's worth of obligations with no NBA games.

Many of the venues in the program portfolio are aging facilities, the Stadium was built in 1926 and renovated periodically over the years, and the VMC was built in 1960, and has never had a comprehensive renovation. Given their age, and the age of several critical systems in use at the VMC, there is a potential for a catastrophic system failure that would require a temporary or extended closure of the building. Depending on the nature and timing of the system failure, this could result in the cancellation of events and corresponding loss of revenue. If this were to happen, the building's reputation could be irreparably damaged and result in reductions in future revenue even after repairs are made. This risk at the VMC is the greatest risk to near term revenues to the Fund.

Looking further out, the approaching end of the Rose Quarter agreements raises additional questions about future revenues and should be considered an unknown risk to the Fund. As mentioned in the previous section, the VMC Operating Agreement is the first to expire, with the last of its one-year extensions expiring in June 2023. The Arena Ground Lease governs the terms of the user fee payments from events at the Moda Center and its initial term expires in 2025. There are three ten-year extensions available, although at this point we do not know if the operators will exercise them. The recent death of longtime Trail Blazers owner Paul Allen further complicates the forecast while future ownership of the team is uncertain. OMF's plans to begin discussions about the future of the Rose Quarter agreements within the next two years, but that may be delayed if the team and/or Rip City Management are sold.

### **Expenditure Assumptions**

Expenses to the Fund and service level assumptions are subject to terms and conditions contained in a series of agreements with the venue operators and are largely impacted by the City's obligations to pay for specified costs, debt obligations and program personnel costs.

The VMC is an aging facility with many years of deferred repair and limited capital

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improvement. The City's annual average cost for repair and capital improvement over the prior five fiscal years was almost \$700,000 per year, with an additional \$2.9 million in capital improvement and replacement costs during the same time period. Capital projects included replacement of the roof, new arena lighting, a new video scoreboard, concession stand renovation and other strategic enhancements to the user experience – mostly at the main entry and on the concourse. The amended VMC Operating Agreement obligates the fund to budget \$500,000 per year to VMC repair and capital improvement. In addition, through the amended Operating Agreement, the City is obligated to share net operating losses at the VMC up to \$250,000 per year, although the facility has not incurred operating losses in recent years.

A major renovation project would address many of the VMC's deferred repair and capital improvements resulting in reductions in operating, repair, and maintenance costs. Specific upgrades would allow the venue to fill an identified market niche, attract more events, and become more reliably operationally profitable. However, it is unknown what additional requirements may be placed on the fund to achieve a renovation project and what share of the capital investment the SVVAF would bear. Other options for the VMC's future, such as demolition, would also place requirements on the fund.

The SVVAF forecast includes anticipated costs related to implementation of the ADA Transition Plan at the Rose Quarter Garages, but not at the VMC or Providence Park. Those estimates will be added when more information is available. No additional cost for work at the Rose Quarter Plaza is included at this time, but additional costs may be added as more information is developed about needed major maintenance.

Under the 2010 agreements, the SVVAF is responsible for a portion of some repairs and capital improvements at Providence Park (formerly PGE Park/JELD-WEN Field), including a fixed annual contribution to the cost of periodic replacement of the artificial turf.

In FY 2017-18, the City Council approved a major expansion of the east side of the stadium. The project will add 4,000 seats in three new levels above the existing concourse and seating bowl. Construction is currently underway, and the new seats are expected to open in 2019. While the \$55-\$75 million design and construction cost of the project will be privately financed, the SVVAF will incur legal and design/construction oversight costs of approximately \$700,000 between FY 2017-18 and FY 2018-19. In addition, in FY 2017-18, a \$730,000 partial roof replacement project was completed.

Other efforts at the stadium likely to see expenditures in the five-year forecast period include a structural and seismic evaluation of the older parts of the stadium and a refinement plan to address identified ADA barriers.

In 2015, the Fund Statement was updated, and the Spectator Venues Program gained authority to spend resources on administration and oversight of the three City-owned theater buildings operated by Portland's under the umbrella of Metro: Antoinette Hatfield Hall, Arlene Schnitzer Concert Hall, and Keller Auditorium. In FY 2018-19 the program is engaged in engineering and architectural analysis to develop a range of options for seismically strengthening the Keller. The fund receives no revenue from Portland's, and there are no resources currently identified for the needed renovations. Other program costs associated with the management and oversight of these facilities that are likely to see expenditures in the five-year forecast period include a seismic structural assessment of the Arlene Schnitzer Concert Hall and ADA refinement plans for all three buildings.

All bonded debt obligations associated with the Rose Quarter developments were paid off in

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2016-17, but the Fund will continue to make annual stadium bond debt payments ranging from \$2.2M in FY 2019-20 to \$3.2M in FY 2023-24. According to current schedules, the final payments on the stadium bonds will be made in FY 2026-27.

### **Expend Risks to Forecast**

Scheduled debt payments and program administration costs are stable and easy to forecast, however, other expenses to the Fund are more challenging to predict. These include:

- Increasing major maintenance, repair and replacement costs at both VMC and Providence Park. The Rose Quarter Parking Garages and Plaza have incurred increased repair expenses in recent years as original systems reach the end of their service life. OMF currently budgets approximately \$1M per year for VMC repairs and costs at the stadium have exceeded \$500k for the past two years.
- There is always the possibility of an unexpected emergency repair at the VMC and to a somewhat lesser degree, at the stadium.

Strong performance of the Rose Quarter venues in recent years have enabled the Fund to support several major deferred maintenance projects and strategic enhancements at the VMC. These completed projects, which included a full roof replacement, lighting upgrades, concession renovations, asbestos abatement, improved main entry, Wi-Fi systems, and point of sale equipment help to somewhat reduce risks of catastrophic system failures, but many of the key building systems continue to be largely composed of original equipment which is unreliable. Without a major renovation project, OMF expects the expenses required to keep the venue running will continue to grow. There is also a risk that emergency repairs at the venue could exceed the capacity of the fund and result in an extended closure. That would have major implications for revenues as well as expenses.

As Fund revenues permit, additional strategic enhancement projects at the VMC may be possible in the next five years. Key projects that have been identified as possibilities include structural seismic improvements, seating bowl refurbishment and updates including new seats and modifications to meet ADA requirements, restroom upgrades and access improvements, and improvements to the meeting rooms on the lower level. Some of these upgrades (particularly seating and meeting room improvements) could have a positive impact on revenue generation.

All bonded debt obligations associated with the Rose Quarter developments were paid off in 2016-17, but the Fund will continue to make annual stadium bond debt payments ranging from \$2.2M in FY 2019-20 to \$3.2M in FY 2023-24. According to current schedules, the final payments on the stadium bonds will be made in FY 2026-27.

The \$55-\$75M Providence Park Stadium expansion project currently under construction is privately-funded; however, it has increased near-term City costs associated with providing design and construction oversight for the project and long-term costs associated with owning a larger facility. The key agreements covering Providence Park revenue and expenses between the City and Peregrine Sports do not expire until 2035, well beyond this five-year forecast.

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**Financial Plan**

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<b>Major Object Name</b>	<b>Cy Estimate</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Charges for Services	6,143,126	6,441,935	6,348,300	6,618,086	6,948,758	7,132,702
Intergovernmental	1,817,409	1,767,446	1,707,780	1,647,952	818,387	628,841
Miscellaneous	35,000	222,060	297,535	200,000	200,000	200,000
<b>Sum:</b>	<b>18,183,156</b>	<b>17,431,441</b>	<b>15,608,478</b>	<b>16,056,100</b>	<b>16,043,379</b>	<b>16,692,392</b>

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**Financial Plan**

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<b>Major Object Name</b>	<b>Cy Estimate</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Capital Outlay	2,457,000	1,700,000	1,000,000	1,000,000	1,000,000	1,000,000
Contingency	7,730,541	7,254,863	7,590,062	8,076,234	8,730,849	8,985,849
Debt Service	3,441,592	3,442,375	3,442,346	3,444,441	2,679,493	3,260,488
External Materials and Services	3,542,464	3,924,250	2,743,287	2,676,188	2,746,434	2,531,139
Fund Transfers - Expense	210,338	222,089	166,256	172,715	179,485	186,585
Internal Materials and Services	320,431	385,997	156,457	161,150	165,985	170,964
Personnel	480,790	501,867	510,070	525,372	541,133	557,367
<b>Sum:</b>	<b>18,183,156</b>	<b>17,431,441</b>	<b>15,608,478</b>	<b>16,056,100</b>	<b>16,043,379</b>	<b>16,692,392</b>

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## MF - 704-Insurance & Claim Op- Financial Plan

### Plan Overview

#### General background Information

Risk Management minimizes the City's financial risk while promoting a safe work environment. Risk Management administers the City's self-insured general liability, fleet liability, and workers' compensation programs. Risk Management also manages the City's portfolio of insurance coverage, which includes property, excess workers' compensation, and excess liability. Through its loss prevention program, Risk Management advises and assists City bureaus in managing their risk of injury involving employees, City property, and the public. Fund expenditures are primarily for claims-related payments. Projected claims are based on an independent actuarial study which includes a projection for the current fiscal year and for the next five years.

The reserve requirement is based on the actuarial study which recommends a range for the reserve levels needed to cover outstanding incurred liabilities.

#### Key issues

Challenges for the next five years:

- **Specialized Tasks:** One issue includes retaining and recruiting specialized talent for Risk Management data processing and technical roles in claims, insurance, loss prevention, and safety. The City faces expanding risks from many sectors of the external environment, expanding Risk Management's role and the services upon which it advises. City Risk is marginally staffed to continue core services, most of which are required by statute or rule. Staff reductions would correspond to a requirement to decrease needed services, resulting in the possibility of bureaus being asked to take on additional functions in the event of staff reductions.
- **Risk retention or transfer to insurance:** The City of Portland continues to self-insure and self-administer two major operational risks: harm to others due to employee negligence (tort liability including auto) and employee on-the-job injury (workers' compensation). Other major risks are retained or transferred to commercial insurance when appropriate and fiscally feasible or via the contracting process.
- **Both tort and workers' compensation self-insured exposures are adequately funded at 80% and 75% confidence respectively.** These self-funded losses are expected to continually rise. Workers' compensation is wage and medical inflation sensitive. Auto liability is expected to continue to increase as the cost of vehicle repair, allowance for diminished value, and cost of bodily injury continues to climb. General liability claims are sensitive to community expectations and the increase in the tort caps.

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- Commercial Excess Policies are purchased to protect the funds from catastrophic loss. Tort liability excess coverage warrants concern. The market for public entities remains very limited and is tightening. The City deductible for most exposures remains at \$1 million per occurrence, with a split retention for law enforcement liability at \$2.5 million per occurrence. At this time, there are no claims reserved at or above the self-insured retention. Nationally, auto liability markets have suffered high losses. The major driver of the City's 7% premium increase for the FY 2017-18 Excess Liability renewal was the auto exposure, even though the City does not have any claims above the retention. While the overall premium for Excess coverage in 2018 fell slightly (\$149,000) with the transfer to a new insurance carrier, a minimal-to-slight increase upon renewal based on the City's exposure is expected.

- Loss to major City-owned buildings and contents are transferred to commercial property insurance. Coverage for loss due to earthquake and flood is sub-limited. The City experienced reduced coverage for earthquake risk in 2011. Over time, coverage and premiums have stabilized. However, with a \$75 million limit with varying deductibles and the uncertainty of FEMA funding, it is prudent for the City to continue to focus on resiliency efforts and plan for additional financing options to fund restoring essential City services following a major earthquake. The 2018 renewal included a 6% rate increase.

- During 2016, the City began to acquire residential properties. This new line of business changed the City's property risk profile. Risk collaborated with the Housing Bureau and the City Attorney, and contractually transferred portions of this risk to Property Management vendors in order to properly place this exposure in a fiscally prudent and properly insured manner. Other risks have been placed within an Affordable Housing Insurance Pool. This is a scalable approach that should allow the rapid acquisition of new properties while properly protecting the City's property policy and ensuring coverage.

Cyber risk is a fast-developing exposure. City Risk has been meeting quarterly with the BTS Information Technology Security manager. A risk assessment and exposure evaluation has been completed and Risk is now marketing the City's Cyber Risk exposure via the City's insurance broker to evaluate policy and pricing options. City Risk worked with BES' Owner Controlled Insurance Program (OCIP) Manager to offer insuring options for The Portland Building remodel. The Project opted to continue with a traditional insurance model, and Risk has placed a Builder's Risk Policy for the project. Risk monitors City projects for any needed assistance with Builder's Risk policy placement. The insurance team continues to advise on contract language to include proper insurance policies, limits, and indemnity language for major contracts such as remodels at Veterans Coliseum, Providence Park, and the Joyce Hotel. This work is expected to continue as the City takes on major construction projects going into the future.

- Claims Administration: As a self-insured entity for workers' compensation, City Risk continually monitors and adjusts to changes in rules and regulations. Oregon Workers' compensation rules and statutes are often the subject of legislative concepts which may include both statutory and administrative rule changes. The Workers' Compensation Division routinely monitors changes and impacts via regular collaboration with the Office of Government Relations, and enacts necessary changes affecting the Administrative Rules through public Advisory committees.

Proposed legislative concepts and bills are presented by various parties, including but not limited to Oregon Trial Lawyers Association, Oregon Physical Therapists in Independent Practice, Oregon Chiropractic Association, Oregon Chapter of the International Association of Rehabilitation Professionals, Oregon Society of Physicians Assistants, the Workers' Compensation Division, and the Oregon State Fire Fighters Council.

In recent years, legislation has increased costs of attorney fees, complicated the process for

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which the average weekly wage of an injured worker is calculated, expanded the pool of allowed medical providers, and expanded the scope of the Firefighter's cancer presumption law. Further, advances in medicine, along with inflation and uncertainty in the market affect and increase claim costs.

Civic activism has resulted in an increase in protests, some requiring police intervention. The City continues to experience an increase in claims and litigation because of such interventions, and this is expected to continue due to the state and national political environment. Citizens have also filed claims for property damage caused by the actions of homeless individuals. A mild winter decreased the number of filed claims for potholes from the previous year, however citizen expectations of government's duty to pay for damage for harm that they suffer is expected to continue.

### **Revenue Assumptions**

The forecast is based on a five-year model that calculates how much the fund needs to collect from City bureaus to cover claims costs and reserve levels as per an actuarial study, insurance costs, and the costs of the staff that administer claims, manage and administer the division, and manage and administer the commercial insurance and loss prevention programs. If the fund has a higher fund balance than is required for actuarial reserves, the model draws this down over the five-year term to provide rate stability to customers.

### **Revenue Risks to Forecast**

The fund does not have any direct revenue risks because the funding amounts determined by the five-year model are allocated to City bureaus which are required to budget for them. However, this creates expense risk to bureaus and they may have to cut other services to fund their allocation. The presence of the rate stabilization reserve creates some stability to revenues. Additionally, the fund's administrative budget is held to the level of inflation and this may not keep pace with actual costs, or the fund may be required to reduce it as part of the budget process. Overall, the revenue risk to the fund is medium.

### **Expenditure Assumptions**

Except for claims payments, the forecast is based on current service levels. It assumes expenses will grow at the level of inflation. As a result, it does not include increases in expenses to provide additional services requested from City bureaus, nor an increase in activities that are insured through commercial insurance.

The forecast for claims payments are as per the fund's actuarial consultant.

## Expend Risks to Forecast

The expense risks to the fund are in staff and support costs. Many of the fund's costs, such as claims, and insurance are passed through to customers at cost. But staff costs and support costs are the two largest costs that the fund must maintain within inflationary growth levels. Staff costs are subject to changes in union contracts, PERS rate increases, and health benefits inflation. Support costs are a risk due to the need to continually invest in staff and technology to stay efficient and current with best practices.

Separately, expense risks to the fund that are passed on to our customers are in the area of increasing claims costs, increasing quantity of claims, increases in the costs to defend claims, and increases in costs of insurance.

Financial Plan						
Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Beginning Fund Balance	32,894,095	33,954,617	34,605,344	34,053,485	32,529,457	29,764,576
Interagency Revenue	11,626,690	11,045,028	10,513,979	9,995,048	9,501,805	9,032,977
Miscellaneous	630,124	945,467	1,083,894	1,054,754	993,970	896,137
<b>Sum:</b>	<b>45,150,909</b>	<b>45,945,112</b>	<b>46,203,217</b>	<b>45,103,287</b>	<b>43,025,232</b>	<b>39,693,690</b>

Financial Plan						
Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Contingency	33,249,782	34,605,344	34,053,485	32,529,457	29,764,576	25,697,010
Debt Service	101,727	107,906	114,001	120,180	125,867	125,867
External Materials and Services	7,360,479	6,476,668	7,082,708	7,334,047	7,844,755	8,404,088
Fund Transfers - Expense	211,612	223,076	194,098	199,413	204,679	210,212
Internal Materials and Services	2,906,566	3,033,226	3,290,489	3,400,665	3,513,991	3,631,506
Personnel	1,320,743	1,498,892	1,468,436	1,519,525	1,571,364	1,625,007
<b>Sum:</b>	<b>45,150,909</b>	<b>45,945,112</b>	<b>46,203,217</b>	<b>45,103,287</b>	<b>43,025,232</b>	<b>39,693,690</b>

## MF - 705-Wkr Comp Self Ins Op- Financial Plan

### Plan Overview

#### General background information

Risk Management minimizes the City's financial risk while promoting a safe work environment. Risk Management administers the City's self-insured general liability, fleet liability, and workers' compensation programs. Risk Management also manages the City's portfolio of insurance coverage, which includes property, excess workers' compensation, and excess liability. Through its loss prevention program, Risk Management advises and assists City bureaus in managing their risk of injury involving employees, City property, and the public. The Workers' Compensation Self Insurance Operating Fund supports the City's self-insured workers' compensation program, including claims administration and Citywide loss prevention. Fund expenditures are primarily for claims-related payments. Projected claims are based on an independent actuarial study, which includes a projection for the current fiscal year and for the next five years.

The fund's reserve requirement is derived from the annual actuarial study, which recommends a range of reserve levels needed to cover outstanding incurred liabilities. The range of estimates is produced by calculating reserves at various confidence levels (i.e., the probability that actual losses will not exceed the reserve level). Reserves are stated at a discounted level, which takes into account the interest the fund earns on the fund balance. The fund reserves are currently forecasted at a discounted confidence level of 75%. Interagency revenues are projected on a five-year basis so that, by year five, the fund will arrive at the required claims reserve forecasted for the fifth year by the actuary. This five-year smoothing of interagency rates is designed to mitigate large fluctuations in rates from year to year.

Self-insurance premiums are allocated to bureaus based on the insurance measures of experience (prior year payroll costs) and exposure (a four-year average of claims costs).

#### Key issues

Risk Management serves all bureaus by performing claims administration of actions brought against the City, management of the City's Worker's Compensation program, administration of the City's self-insurance and commercial insurance program, and loss prevention programs designed to reduce injuries and loss.

#### Challenges for the next five years:

- Retaining and recruiting specialized talent for Risk Management data processing and technical risk management roles in claims, insurance and loss prevention, and safety continues to be an increasing challenge. The City faces expanding risks from many sectors of the external environment, expanding the role and services which Risk Management advises upon. City Risk is marginally staffed to continue core services, most of which are required by statute or rule. Staff reductions would correspond to a requirement to decrease needed services, resulting in the possibility of bureaus being asked to take on additional functions in the event of staff reductions

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- Risk retention or transfer to insurance: The City continues to self-insure and self-administer two major operational risks: harm to others due to employee negligence (tort liability including auto) and employee on-the-job injury (workers' compensation). Other major risks are retained or transferred to commercial insurance when appropriate and fiscally feasible or via the contracting process.

- o Both tort and workers' compensation self-insured exposures are adequately funded at 80% and 75% confidence respectively. These self-funded losses are expected to continually rise. Workers' compensation is wage and medical inflation sensitive. Auto liability is expected to continue to increase as the cost of vehicle repair, allowance for diminished value and cost of bodily injury continues to climb. General liability claims are sensitive to community expectations and the increase in the tort caps.

- o Commercial Excess Policies are purchased to protect the funds from catastrophic loss.

- o The Workers' Compensation Excess market has experienced increasing pressures. The City's carrier is satisfied with the current self-insured retention of \$850,000 per claim with only modest premium increases, which may be either flat or topping out at a 5% increase

- Claims Administration: As a self-insured entity for workers' compensation, City Risk continually monitors and adjusts to changes in rules and regulations. Oregon Workers' Compensation rules and statutes are often the subject of legislative concepts which may include both statutory and administrative rule changes. The Workers' Compensation Division routinely monitors changes and impacts via regular collaboration with the Office of Government Relations, and enacts necessary changes affecting the Administrative Rules through public advisory committees.

Proposed legislative concepts and bills are presented by various parties, including but not limited to the Oregon Trial Lawyers Association, Oregon Physical Therapists in Independent Practice, Oregon Chiropractic Association, Oregon Chapter of the International Association of Rehabilitation Professionals, Oregon Society of Physicians Assistants, the Workers' Compensation Division, and the Oregon State Fire Fighters Council.

In recent years, legislation has increased costs of attorney fees, complicated the process of calculating the average weekly wage of an injured worker, expanded the pool of allowed medical providers, and expanded the scope of the Firefighter's cancer presumption law. Further, advances in medicine, along with inflation and uncertainty in the market, affect and increase claim costs.

Civic activism has resulted in an increase in protests, some requiring police intervention. The City continues to experience an increase in claims and litigation because of such interventions, and this is expected to continue due to the state and national political environment. Citizens have also filed claims for property damage caused by the actions of homeless individuals. A mild winter decreased the number of filed claims for potholes from the previous year, however citizen expectations of government's duty to pay for damage for harm that they suffer is expected to continue.

- Loss Prevention, Safety and Occupational Health

- o In addition to maximizing affordability of coverage, City Risk has worked to help bureaus increase resiliency to property loss. Risk continues to work with the Insurer's Loss Prevention Engineers and bureaus to develop and implement property protection policies, procedures, and programs to control exposures, minimize loss, improve mitigation. This will enable bureaus to restore essential properties and resume operations as quickly as possible. This work should continue as pressure on property markets is expected to increase coverage pricing for the upcoming years.

- o The Portland Building move had an impact on employee safety. Over 1,300 employees from

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the Portland Building moved to new workstations requiring ergonomic updates. Employees are now housed in three different buildings requiring adjustments to safety committee structures, reporting, and injury log posting. Security and emergency plans need to be updated. This is expected to be reversed in three years when the remodel is complete, and employees move back into the main building.

o As an Oregon Workers' Compensation self-insured entity, the City must assure OSHA required safety programs, loss prevention, and employee safety and health are implemented in each City workplace. Increasingly, bureaus are asking for assistance on environmental health and construction safety issues.

o Developing Loss Prevention issues include a three-year review of the Defensive Driver Program, the expansion of self-insured reviews of Hazardous Waste Assessments, the Safety Incentive Program for Bureaus, and the Employee Safety Survey.

### **Revenue Assumptions**

The forecast is based on a five-year model that calculates how much the fund needs to collect from City bureaus to cover costs. These include claims costs, reserve levels as per an actuarial study, insurance costs, state workers' compensation costs, and the costs of the staff that administer claims, manage and administer the division, and manage and administer the commercial insurance and loss prevention programs. If the fund has a higher fund balance than is required for actuarial reserves, the model draws this down over the five-year term to provide rate stability to customers.

### **Revenue Risks to Forecast**

The fund does not have any direct revenue risks because the funding amounts determined by the five-year model are allocated to City bureaus which are required to budget for them. However, this creates an expense risk to bureaus and they may have to cut other services to fund their allocation. The presence of the rate stabilization reserve creates some stability to revenues. Additionally, the fund's administrative budget is held to the level of inflation and this may not keep pace with actual costs, or the fund may be required to reduce it as part of the budget process. Overall, the revenue risk to the fund is medium.

### **Expenditure Assumptions**

Except for claims payments, the forecast is based on current service levels. It assumes expenses will grow at the level of inflation. As a result, it does not include increases in expenses to provide additional services requested from City bureaus.

The forecast for claims payments are as per the fund's actuarial consultant.

### **Expend Risks to Forecast**

The expense risks to the fund are in staff and support costs. Many of the fund's costs, such as claims and insurance are passed through to customers at cost. But staff costs and support costs are the two largest costs that the fund must keep within inflationary growth levels. Staff costs are subject to changes in union contracts, PERS rate increases, and health benefits inflation. Support costs are a risk due to the need to continually invest in staff and technology to stay efficient and current with best practices.

Separately, expense risks to the fund that are passed on to our customers are increasing claims costs (including medical inflation), increasing quantity of claims, increases in the costs to defend claims, and increases in costs of insurance.

<b>Financial Plan</b>						
<b>Major Object Name</b>	<b>Cy Estimate</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Beginning Fund Balance	13,645,924	12,537,204	11,949,212	11,354,236	11,126,878	11,247,471
Interagency Revenue	4,604,577	5,028,992	5,492,446	5,997,751	6,549,544	7,152,102
Miscellaneous	232,853	316,458	345,891	334,741	332,907	324,935
<b>Sum:</b>	<b>18,483,354</b>	<b>17,882,654</b>	<b>17,787,549</b>	<b>17,686,728</b>	<b>18,009,329</b>	<b>18,724,508</b>

<b>Financial Plan</b>						
<b>Major Object Name</b>	<b>Cy Estimate</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Contingency	13,277,006	11,949,212	11,354,236	11,126,878	11,247,471	11,659,720
Debt Service	95,153	100,933	106,633	112,413	117,733	122,440
External Materials and Services	3,190,669	3,782,305	4,101,705	4,149,069	4,271,355	4,492,388
Fund Transfers - Expense	113,901	122,622	109,217	112,208	115,171	118,284
Internal Materials and Services	606,351	604,227	784,861	808,484	832,439	857,376
Personnel	1,200,274	1,323,355	1,330,897	1,377,676	1,425,160	1,474,300
<b>Sum:</b>	<b>18,483,354</b>	<b>17,882,654</b>	<b>17,787,549</b>	<b>17,686,728</b>	<b>18,009,329</b>	<b>18,724,508</b>

## MF - 706-Technology Services- Financial Plan

### Plan Overview

The Bureau of Technology Service's (BTS) FY 2019-20 five-year plan focuses on issues that are in alignment with key recommendations from the Citywide Technology Assessment and subsequent goals adopted in the 2015-2020 Citywide Information Technology (IT) Strategic Plan. These goals include technology leadership and collaboration, anywhere/anytime access to information and services, reliable, efficient, and consolidated technology infrastructure, and information management. Additionally, the FY 2019-20 five-year plan aligns its projects with the Technology Executive Steering Committee (TESC)-approved 2019 Technology Workplan priority initiatives and alignments.

As is the case with most of the City's bureaus, BTS's FY 2019-20 projects will be impacted by the Portland Building Reconstruction project as employees will move back to the building in FY 2019-20. The Portland Building Reconstruction project has not only affected how BTS does its work, but also what projects can be done and the timing of those projects. As such, there are certain industry trends to which BTS must focus its attention and find ways of addressing, while also working within the confines of the Portland Building Reconstruction project. Many of the operating projects listed below are designed to specifically address those trends.

#### Mobile Workforce

Industry trends, the Portland Building Reconstruction project, and efforts by the City to become an employer of choice all form a nexus point around a mobile workforce. Access to information and systems from the field, office sharing (hoteling), and the work-life balance offered by teleworking all rely on BTS implementing an enterprise approach to providing mobile access via devices, systems, and applications so that BTS can deliver the right technology to allow City staff to efficiently perform work from remote locations. The VDI (Virtual Desktop Infrastructure) Proof of Concept and Enterprise Printer Management Proof of Concept projects are two operating projects in the five-year plan designed to address some of the anticipated mobile workforce issues and opportunities.

#### Cyber Security and Compliance

Globally and across all industries, the incidence, complexity, and risk of cyber security threats are dramatically increasing. As threats emerge and evolve, all organizations are struggling to summon and scale the appropriate defenses and monitoring to align to the organization's risk tolerance and resources. Emerging trends include security analytics which use large volumes of security data already available to monitor and proactively identify security threats.

BTS has many information security projects planned to address cyber security and compliance, including the Firewall Technology Refresh.

#### Critical Server Infrastructure Refresh Initiatives

BTS's ability to provide existing and new technologies relies on a routinely maintained and

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refreshed server infrastructure. The expansion and life cycle management of the City's server infrastructure provides a higher level of performance and reliability at a lower cost by keeping hardware current and under manufacturer warranty and support. This robust environment is the foundation that allows BTS to provide services that include the Portland Oregon Web Redesign (POWR) project, the GIS hub, and PortlandMaps.

#### Open Data, Business Intelligence, Dashboarding and Analytics

Across the nation, open data is expanding as governments see public access to information, partnerships, and crowd sourcing as ways to spur innovation, foster civic engagement, and increase livability. The City seeks to be a leader in e-government and open data. Open data, business intelligence, dashboarding and analytics are a core part of the City of Portland's proposal for the Smart City Challenge of Ubiquitous Mobility for Portland and other planned Smart City efforts.

#### BTS Operating Projects

##### Server Technology Refresh

Provide upgrades to server infrastructure hardware thereby keeping it current and under manufacturer warranty and support, which also allows for higher performance at a lower cost.

##### GIS Infrastructure Technology Refresh

Provides lifecycle upgrades to GIS Infrastructure which includes the GIS Hub, Data Maintenance Environments, and PortlandMaps.

##### eGovernment Infrastructure Technology Refresh

Upgrades the E-Government server and select network infrastructure to provide ongoing support for E-Government services including the redesign of the City's web portal as part of the Portland Oregon Web Replacement (POWR) project.

##### VDI Proof of Concept (POC) and Pilot

Develop the concept and build the infrastructure needed to allow for the use and existence of virtual desktops. The virtual desktop would run on a centralized server, allowing the user to access files and software applications from locations other than their traditional work station.

##### Enterprise Printer Management Proof of Concept (POC)

Develop a solution for mobile customers to allow for access to the nearest available printer. This solution will automatically grant a mobile customer access to the closest printer, thereby reducing HelpDesk calls and customer frustration, and increase the user's ability to be effective and productive in work no matter the location.

##### Server Automation and Monitoring Tools

Increases BTS' automation and monitoring capabilities and provides toolsets for use on server infrastructure to reduce the ongoing operational impacts of building new servers, retiring old servers, controlling configuration drift, performing monthly patching, and reporting on overall system and service health.

##### Security Incident and Event Management Platform Expansion

Provides for the lifecycle replacement of the City's Security Incident and Event Manager (SIEM) platform.

##### Wireless Intrusion Prevention

Provides lifecycle replacement of the City's wireless (WiFi) access point monitoring system to control unauthorized access to the City's local network.

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#### Data Loss Prevention Program

Formalize the City's data loss prevention program by collaborating across bureau leadership and management to identify City confidential information. Also, expand the City's technical data loss prevention capabilities to meet the increasing threats to confidential information.

#### Apple Device Support

Establishes an enterprise-level device management solution that will secure and govern the life cycle of Apple-based operating systems. This solution for Apple devices will meet the City's information security requirements and address device support purposes.

#### Firewall Technology Refresh

Upgrades firewalls (electronic perimeter security devices) that are at end-of-life with new supported firewalls. The firewalls provide security for services such as SAP, protecting these services from exposure to internet attack.

#### Virtual Private Network Technology Refresh

Provides for the lifecycle replacement of the City's Virtual Private Network (VPN) Remote Access platform.

#### Two-Factor Authentication Technology Refresh

Provides lifecycle replacement of the City's two-factor authentication.

#### Privileged Access Management (PAM)

Provide the ability to track and provision access to sensitive data via shared, service, or administrative accounts. PAM solutions control elevated rights for authorized access, provide workflow, and audit and report on use.

#### Network Access Control

Provides the ability to authorize each device on the City's network and disallow non-trusted devices. By authorizing devices, the City is able to ensure sensitive data and communications are kept confidential.

#### Authorized Software

A solution to block unwanted software from functioning on the City network, preventing most internet attacks including most ransomware attacks.

#### Identity Access Management

Provides identity and account management capability needed to work in conjunction with the Portland Oregon Web Refresh (POWR) initiative. This capability will provide ease of

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## Revenue Assumptions

BTS receives revenue from multiple sources. The majority of it is interagency revenue, followed by non-City agency earnings, with nominal amounts from various other sources. Interagency revenues are primarily rate-based, meaning rates are developed, applied to customer equipment or unit inventories, and bureaus are then charged an amount for equipment or services provided by BTS. For those revenues it is assumed that customer inventories will remain relatively consistent over the five-year period and that rates will increase by inflation each fiscal year. Some interagency revenues are based on an allocation of costs BTS incurs for corporate services provided to the City as a whole. Again, with those revenues the assumption is that recovery of costs through interagency rates will increase each year by inflation. Other interagency revenues are from variable billings to customers for requested services. The assumption for the five-year plan is that requested service levels in the first year of the five-year plan will remain consistent throughout all five years.

Should inflationary projections change, those would lead directly to a change in the revenue forecast. Also, any bureau decisions for reducing inventories or requested billable services of a material amount would also affect revenue projections.

## Revenue Risks to Forecast

Factors that may result in actual earnings deviating from the five-year plan projections are in most cases directly related to the economy. As the economy slows or as the City goes through a period of recession, customer bureaus and non-city agencies are forced to make budgetary reductions. Those reductions can impact interagencies through changes in equipment inventories and service requests. Those changes will result in lower revenues for BTS.

## Expenditure Assumptions

With the exception of costs associated with CIPs and Operating Projects, BTS bases its forecast on current service levels. The assumption is that expenditures will increase at the rate of inflation. Expenditures associated with billable services provided to bureau customers will also increase at inflation. Customer bureau requests for services often increase and decrease according to the local economy and the financial condition of the City. Since it's generally not known in which direction the economy will go in the long term, the safest and most accurate forecast is to assume changes at inflation.

Costs associated with CIPs and Operating Projects are forecasted over the five-year period on a per-project basis. What that means specifically for BTS is that higher costs are estimated for the first two years, with costs beyond that dropping off significantly. That's more indicative of the unknown direction of future technology changes than it is of an assumption by BTS that future project costs will be less than they currently are.

Should BTS have any future funding gaps, they would most likely result from projects where major maintenance funding was insufficient to cover the cost. Should that be the case, BTS would prioritize projects and use technology reserves to fund the highest priority projects. For high priority projects exceeding funding available to BTS, additional funding would have to be requested through the budget process.

## Expend Risks to Forecast

One of the challenges in working with BTS projections is the rapid pace of technology changes. It's that rate of change that makes it difficult to forecast what might be happening or needed beyond the next two-to-three years. In addition to that, with Technology Services being an interagency service provider, much of the expense budget is interwoven with the bureaus to which they are providing service. So, as the needs and requirements of customer bureaus evolve and change, BTS responds to those changes financially by having to adjust budgeted requirements. The risk here is the unknown, where BTS can't anticipate what customer bureaus will be doing, and, instead, can only react to it.

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Beginning Fund Balance	36,400,477	26,076,795	19,120,144	17,113,440	13,716,232	13,021,905
Charges for Services	287,232	296,840	305,425	313,789	322,075	330,781
Interagency Revenue	66,913,365	63,451,065	65,286,199	67,074,047	68,845,317	70,706,291
Intergovernmental	4,830,147	5,004,570	5,149,312	5,290,325	5,430,030	5,576,810
Miscellaneous	631,417	738,881	760,251	781,070	801,696	823,367
<b>Sum:</b>	<b>109,062,638</b>	<b>95,568,151</b>	<b>90,621,331</b>	<b>90,572,671</b>	<b>89,115,350</b>	<b>90,459,154</b>

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Capital Outlay	5,539,953	4,692,160	0	0	0	0
Contingency	22,198,352	19,120,144	17,113,440	13,716,232	13,021,905	14,281,942
Debt Service	647,474	686,801	686,801	686,801	686,801	686,801
External Materials and Services	29,627,820	26,768,422	26,787,291	27,063,890	24,775,883	23,282,080
Fund Transfers - Expense	7,088,421	3,167,430	3,259,039	3,348,287	3,436,708	3,529,606
Internal Materials and Services	9,120,867	4,052,617	4,285,121	4,399,311	4,512,442	4,631,302
Personnel	34,839,751	37,080,577	38,489,639	41,358,150	42,681,611	44,047,423
<b>Sum:</b>	<b>109,062,638</b>	<b>95,568,151</b>	<b>90,621,331</b>	<b>90,572,671</b>	<b>89,115,350</b>	<b>90,459,154</b>

OMF  
 Technology Services  
 Funded Operating/Major Maintenance Projects

Projects	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Total Requested Budget	Plan	Plan	Plan	Plan
Server Automation and Monitoring Tools	\$112,341	\$169,581	\$50,439	\$0	\$0
Server Technology Refresh	\$121,250	\$197,600	\$124,800	\$48,100	\$358,800
GIS Infrastructure Technology Refresh	\$201,340	\$19,500	\$39,000	\$45,500	\$0
E-Government Infrastructure Technology Refresh	\$7,200	\$26,000	\$5,200	\$123,500	\$39,000
Desktop Virtualization Proof of Concept	\$72,642	\$64,504	\$186,880	\$69,880	\$69,880
Enterprise Printer Management Proof of Concept	\$71,500	\$52,000	\$0	\$0	\$0
Security Incident and Event Management Platform Exp.	\$0	\$0	\$150,000	\$0	\$0
Wireless Intrusion Prevention	\$0	\$175,000	\$24,000	\$175,000	\$24,000
Data Loss Prevention Program	\$130,000	\$109,200	\$109,200	\$109,200	\$109,200
Apple Device Support	\$34,330	\$30,175	\$38,499	\$46,823	\$55,147
Firewall Technology Refresh	\$300,000	\$100,000	\$100,000	\$50,000	\$50,000
Virtual Private Network Technology Refresh	\$0	\$0	\$0	\$155,000	\$0
Two-Factor Authentication Technology Refresh	\$0	\$389,069	\$0	\$0	\$0
Privileged Access Management	\$155,000	\$0	\$0	\$0	\$0
Network Access Control	\$0	\$75,000	\$25,000	\$25,000	\$25,000
Authorized Software	\$0	\$100,000	\$0	\$0	\$0
Identity Access Management	\$710,320	\$0	\$0	\$0	\$0
Customer Needs - Discovery & Design	\$75,000	\$0	\$0	\$0	\$0
GIS Platform Strategic Enhancements	\$58,500	\$64,000	\$62,000	\$60,000	\$65,000
CGIS LiDAR Data Collection	\$150,000	\$0	\$0	\$0	\$0
Channel Bank Sustainability	\$75,000	\$0	\$0	\$0	\$0
Communications Center Ice Bridge	\$25,000	\$0	\$0	\$0	\$0
Goat Mountain IR Site Move	\$350,000	\$0	\$0	\$0	\$0
Aviat Pro Vision Alarm System	\$20,000	\$0	\$0	\$0	\$0
Radio Site Maintenance and Enhancements	\$0	\$200,000	\$200,000	\$200,000	\$200,000
	<b>\$2,669,423</b>	<b>\$1,771,629</b>	<b>\$1,115,018</b>	<b>\$1,108,003</b>	<b>\$996,027</b>

Does not include CIP projects

OMF  
 Technology Services  
 Unfunded Operating/Major Maintenance Projects

Projects	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Total Requested Budget	Plan	Plan	Plan	Plan
Server Automation and Monitoring Tools	\$0	\$169,581	\$50,439	\$0	\$0
Server Technology Refresh	\$0	\$141,841	\$70,041	\$0	\$303,041
E-Government Infrastructure Technology Refresh	\$0	\$26,000	\$5,200	\$123,500	\$39,000
Desktop Virtualization Proof of Concept	\$0	\$64,504	\$186,880	\$69,880	\$69,880
Enterprise Printer Management Proof of Concept	\$0	\$52,000	\$0	\$0	\$0
Data Loss Prevention Program	\$0	\$24,400	\$0	\$0	\$0
Apple Device Support	\$0	\$30,175	\$11,899	\$9,324	\$0
Firewall Technology Refresh	\$0	\$100,000	\$100,000	\$50,000	\$0
Virtual Private Network Technology Refresh	\$0	\$0	\$0	\$155,000	\$0
Two-Factor Authentication Technology Refresh	\$0	\$389,069	\$0	\$0	\$0
Network Access Control	\$0	\$75,000	\$25,000	\$25,000	\$0
Authorized Software	\$0	\$100,000	\$0	\$0	\$0
	\$0	\$1,172,570	\$449,459	\$432,704	\$411,921

Does not include CIP projects

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**MF - 703-P&D Srvcs Operating- Financial Plan****Plan Overview**

Printing and Distribution, a division within BTS, is responsible for managing all City printing, mailing, photocopying equipment. P&D works with bureaus to streamline communication budgets, enabling bureaus to focus on core missions. P&D manages the City's sustainable paper policy, with Procurement, to ensure proper paper purchasing. In FY 2019-20, P&D plans to work closely with BTS Divisions to ensure a successful implementation of the new Print Management System into the completed Portland Building. P&D was moved to BTS in FY 2017-18.

**Revenue Assumptions**

About 90% of P&D revenues are from City IAs. The remaining balance are from area governmental agencies, non-profits and the public. P&D expects a relatively flat revenue stream during this period, excluding change if the Water Bureau pulls the Utility Bill Print function away from City processing.

**Revenue Risks to Forecast**

P&D's revenue is driven by bureaus' expenditures. With current employment almost at capacity, bureaus continue to spend on communication with the community. The loss of the Utility Bill processing will affect total City postage (22%) and the cost sharing methods in the print shop.

**Expenditure Assumptions**

P&D's expenses ebbs and flows with the pass-throughs expenses of US Postage and paper. With most postage rates tied to inflation, those total costs increase with additional mailed communications.

## Expend Risks to Forecast

There has been a tightening in the paper supply market, which with many years of economic growth, has pushed prices higher. We expect that trend to continue.

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Beginning Fund Balance	1,788,567	2,070,830	2,561,170	3,062,522	3,487,856	3,914,253
Interagency Revenue	6,788,805	7,035,113	7,238,583	7,436,810	7,633,199	7,839,534
Intergovernmental	1,059,338	1,003,131	1,032,144	1,060,409	1,088,412	1,117,833
Miscellaneous	511,789	578,920	595,664	611,976	628,137	645,116
<b>Sum:</b>	<b>10,148,499</b>	<b>10,687,994</b>	<b>11,427,561</b>	<b>12,171,717</b>	<b>12,837,604</b>	<b>13,516,736</b>

### Financial Plan

Major Object Name	Cy Estimate	2020	2021	2022	2023	2024
Capital Outlay	410,000	625,244	642,126	659,463	677,269	695,555
Contingency	2,070,830	2,561,170	3,062,522	3,487,856	3,914,253	4,346,294
Debt Service	184,611	195,826	195,826	195,826	195,826	195,826
External Materials and Services	4,329,154	4,139,793	4,251,566	4,366,359	4,484,251	4,605,326
Fund Transfers - Expense	297,752	267,951	275,701	283,251	290,731	298,590
Internal Materials and Services	836,116	915,885	942,374	968,181	993,748	1,020,610
Personnel	2,020,036	1,982,125	2,057,446	2,210,781	2,281,526	2,354,535
<b>Sum:</b>	<b>10,148,499</b>	<b>10,687,994</b>	<b>11,427,561</b>	<b>12,171,717</b>	<b>12,837,604</b>	<b>13,516,736</b>

OMF  
 Bureau of Technology Services-P&D  
 P&D Equipment  
 Funded projects

Projects	FY 2019-20 Requested Budget	FY 2020-21 Plan	FY 2021-22 Plan	FY 2022-23 Plan	FY 2023-24 Plan
Bureau Replacement Copiers	\$110,000	\$115,000	\$125,000	\$135,000	\$135,000
P&D Shop Equipment	\$235,000	\$210,000	\$175,000	\$225,000	\$225,000
	\$345,000	\$325,000	\$300,000	\$360,000	\$360,000

# BUDGET EQUITY TOOL

# Budget Equity Assessment Tool

BUREAU/OFFICE/DEPARTMENT: Office of Management & Finance

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## SECTION 1: BUREAU OPERATIONS

1. How does your Requested Budget advance your achievement of equity goals as outlined in your bureau's Racial Equity Plan?

The Office of Management & Finance (OMF) is primarily an internally-focused provider of services to City Council and City bureaus. Consequently, OMF has limited interaction with external stakeholders or the community at large. Nonetheless, OMF uses an equity lens in decision making for policies, projects, and budget submissions. Each bureau within OMF has organized an equity committee.

### **Bureau of Human Resources**

The Bureau of Human Resources' (BHR) Workforce Recruitment and Training (WRT) supports BHR's five-year Racial Equity Plan and Citywide equity goals related to racial and disability equity by ensuring that all training programs include an element of equity literacy, diversity, and cultural awareness. Training programs are being created utilizing a collaborative effort to include representatives of diverse workgroups and Citywide perspective.

BHR tracks all candidate pools through HR analytics dashboard. Currently, there is no mechanism to electronically track exit interviews. BHR is currently in the process of onboarding through Success Factors the second phase of implementation will include off boarding/exit interviews. BHR has begun collecting equity statements for all candidates applying for executive level roles. Our total applicant pools were 50 percent executives of color, and 35 percent female executives. Our aggregate finalists were 54 percent executives of color and 46 percent female executives.

Additional highlighting recruitment and training metrics are available on the BHR Dashboard via the following link <https://www.portlandoregon.gov/bhr/article/697835>

Additional high-quality training programs are currently offered both internally and through vendor partners. Evaluations will be provided to each training attendee to measure the delivery of racial and disability equity content. The objective of the trainings is to increase inclusivity and improve the employee experience. Approximately 18% of new employees complete Equity 101 within their first 90 days of employment.

WRT currently offers training programs including:

- Citywide New Employee Orientation
- Path to Leadership
- Leadership Series
- Cultural Competency
- Leadership development training
- Supervisory skills training
- Mentorship program
- PSU Hatfield Fellowship program
- Bias Awareness Training

In addition, WRT utilizes diversity recruitment strategies for all positions and will launch an employee lifecycle training in 2019 to focus on equity throughout the recruitment, selection, onboarding, and engagement phases of the employee journey. The training will be offered to all staff, with a focus on managers and supervisors. The diversity of our qualified applicant pool has increased by 5% since FY 16. The diversity of our hires has increased by 5% since FY 16.

WRT is also responsible for the administration of the Project Search internship program, which focuses on individuals with developmental disabilities (IDD). WRT will also launch the Access to Work program in 2019 for people with disabilities. The program will partner with community organizations, including vocational rehab, to recruit people with disabilities to the City. The class specifications for the program are currently in development.

BHR's Employee Relations (ER) team supports the bureau's Racial Equity Plan by providing Bias Awareness training required for all interview panels across the City. In addition, ER staff investigate all claims of discrimination and harassment throughout the City. Finally, each Human Resources Business Partner familiarizes themselves with their operating bureaus affirmative action strategies and goals, in order to help the bureaus achieve their goals.

### **Bureau of Revenue and Financial Services**

Responsibility for implementation of the Bureau of Revenue and Financial Services' (BRFS) Racial Equity Plan rests on BRFS Division Managers and designees, who provide mandates and guidance for their employees. The hiring for all positions in BRFS follows City guidelines for inclusion and fairness. BRFS recognizes the critical nature of diversity in its hiring and placement of the employees. Additionally, all BRFS employees receive all mandatory equity training and are encouraged to attend events that promote understanding of societal and institutional factors related to diversity and the remediation of exclusive practices.

The BRFS budget includes sufficient funding for equity-related activities for staff. One such activity in FY 2018-19 was Lou Radja, who presented a bureau-wide training on "Ubuntu Leadership: Courageous Inclusion Through Interdependence" to all BRFS staff.

This interactive presentation helps staff have an understanding of their role in “addressing institutional racism” and how they can “articulate it to others”.

Following a disparity study in 1994, Procurement Services responded to Council mandates to increase the utilization of minority-owned, women-owned, and disabled business enterprises in City contracting. The division has successfully implemented a variety of programs and business practices to ensure inclusion and equity, to promote transparency and good will, and to empower the diverse community of contractors and suppliers in the region. In FY 2016-17, 14.25% of prime contract dollars went to DMWESB firms. In FY 2017-18, the figure rose to 16.19%. In FY 2016, 42.75% of subcontractor dollars went to DMWESB firms. In FY 2017-18, 50.87% of subcontractor dollars went to DMWESB firms.

The Procurement Services budget allows the division to hire dedicated employees to develop, manage, and support Social Equity Contracting programs, as well as to use specialized software to track adherence to program requirements by City bureaus and contractors. The budget supports the advancement of all equity programs and goals, which are now indelibly linked to all procurement activities.

Procurement Services manages the We Are Better Together (WABT) Program, a partnership across all City bureaus to centrally collaborate and share the cost of sponsorship requests (tables, financial support for causes, etc.) from the community, culturally specific organizations, and state certified firms. By centralizing these requests, the City is able to maximize its spending and community involvement for the benefit of program recipients.

Revenue’s collection activities provide financial support for all General Fund programs that impact the City’s equity initiatives. Increases in compliance from Revenue’s enforcement activities increase equity as they ensure all who are subject to the taxes pay their share. Revenue ensures that all tax programs are accessible to non-English speaking taxpayers by translating documents into multiple languages.

Debt Management ensures access to the capital markets to fund the City’s capital projects. Debt Management keeps City services accessible to all users by delivering low-cost capital financing alternatives to City bureaus.

Treasury keeps City services accessible to all users by ensuring that bureaus accept cash in addition to accepting payment (credit/debit) cards and online payments.

Accounting publishes the City’s Popular Annual Financial Report (PAFR) and has each year’s PAFR translated into Chinese, Russian, Spanish and Vietnamese. Accounting uses the IRS accessible W-9 form, in alignment with the City’s ADA Title II Non-discrimination policy ADM 18.21.

### **Bureau of Technology Services**

The Bureau of Technology Services (BTS) provides information technology and

telecommunications services primarily to internal City customers. Although an internal service provider, BTS strives to use the equity lens and the goals of the bureau's Five-Year Racial Equity Plan when making budgetary, staffing, and procurement decisions.

A great area of success for BTS has been its internship program. This program has resulted in training opportunities and, in many cases, permanent employment to a diverse group of employees from underserved communities.

### **Office of the Chief Administrative Officer**

The Office of the Chief Administrative Officer's (CAO) budget includes sufficient funding for equity-related activities for staff. Division of Asset Management (DAM), the Homelessness/Urban Camping Impact Reduction Program (HUCIRP), the Spectator Venues Program, and the Portland Building Reconstruction project are all under the direction of the Office of the CAO. In 2018, the CAO's Office undertook an evaluation and expansion of its Racial Equity Plan and formed three subcommittees to focus on new and existing strategies. The committees will focus on implementing racial equity training(s) for the division, reducing inequities relating to the hiring process and refining the process for new employee onboarding, and HR practices such as exit interviews, and incorporating racial equity/cultural responsiveness components into performance evaluations.

DAM, which includes Facilities Services and CityFleet, is an internal service fund. Base budget service levels are performed in accordance with applicable laws and City and OMF administrative rules, policies, and procedures governing how bureaus performs contracting and hiring in the normal course of business. As part of implementing its Racial Equity Plan, DAM works with BHR to perform focused outreach to recruit women, people of color, and people who identify with disabilities for vacant positions. In addition, DAM works with Procurement and the community to increase opportunities for M/W/ESB participation in division contracts. CityFleet and Facilities Services are planning to develop apprenticeship programs to address several goals not only for recruitment and succession planning, but also to meet the City's organizational and community growth goals. The programs would develop an equitable outreach plan to include traditionally under-represented communities of color and women, to offer access to school, and training for livable wage careers in skilled trades.

The HUCIRP requested budget works to increase the capacity of Central City Concern's Clean Start program (CS PDX) which serves two purposes: 1) to pick up trash and debris in and around unsanctioned campsites thereby reducing the impact of unsheltered homelessness Citywide (previously this level of service was only accessible to the downtown core), and 2) CS PDX is a homeless-to-work program that provides job training and mentorship to individuals receiving services from Central City Concern's addictions recovery and mental health care system. Many of the individuals in this program are early in recovery and coming out of homelessness or re-entering society from the criminal justice system.

The Spectator Venues and Visitor Activities Program (SVVAP) supports the OMF Racial Equity Plan by working with venue operators to provide equitable access to the venues including amateur sports and non-profit community events as allowed by our operating agreements. This is done by awarding contracts to Oregon COBID certified firms when possible, by budgeting funds to address ADA barriers in the venues, and by following all applicable OMF/CAO policies and procedures regarding recruitment, hiring and staff training and education.

The Portland Building Reconstruction project was approved by Council in October 2015 and is under the direction of the Chief Administrative Officer. The project has an Equity, Inclusion, and Diversity plan with robust Disadvantaged/Minority/Women/Emerging Small Business (D/M/W/ESB) contracting goals for both Professional, Technical, and Expert Services (PTE), and construction. These goals are monitored and tracked by the Social Equity committee and Portland Building Community Oversight Committee. Consultants have been hired by the Owner's Representative and Contractor to support the goals and help attract, retain, and support equity consultants and contractors.

The Portland Building Reconstruction project also set aside \$1 million for community opportunities and enhancements to increase contracting opportunities for minority and under-represented contractors. In addition, OMF was charged with preparing a plan for the \$1 million with a focus on building long-term capacity in the minority contracting community. There is also support for regional collaboration on this initiative.

2. Are there deficiencies in your base budget that inhibit your bureau's achievement of equity or the goals outlined in your Racial Equity Plan?

Please take a look at the City of Portland's workforce demographic dashboard: <https://www.portlandoregon.gov/oehr/article/595121>. How does your bureau's Requested Budget support employee equity in hiring, retention, and inclusion, particularly for communities of color and people with disabilities?

#### **Bureau of Human Resources**

There are no deficiencies in the FY 2019-20 base budget that inhibit BHR from reaching its equity goals outlined in its Racial Equity Plan. WRT supports BHR's five-year Racial Equity Plan and Citywide equity goals related to racial and disability equity by ensuring that all training programs include an element of equity literacy, diversity, and cultural awareness. In addition, WRT utilizes diversity recruitment strategies for all positions and will launch an employee lifecycle training in 2019 to focus on equity throughout the recruitment, selection, onboarding, and engagement phases of the employee journey. The training will be offered to all staff, with a focus on managers and supervisors.

#### **Bureau of Revenue and Financial Services**

No deficiencies. City Council, the Budget Office, and BRFS management have been supportive of both the Social Equity Contracting programs and BRFS's efforts to develop a diverse and equity-focused workforce. The BRFS Requested Budget does not

specifically address equity in hiring, retention, and inclusion. Available dollars for recruitment, advertising, and training do allow the Director and staff to incorporate inclusivity into all activities that relate to hiring, training and retention. Because of the City's efforts to create awareness and mandate inclusive practices, the understanding of expenditures and efforts to promote equity is robust.

### **Bureau of Technology Services**

There are no deficiencies in the FY 2019-20 base budget that inhibit BTS from reaching its equity or the goals outlined in the BTS Five-Year Racial Equity Plan. A great area of success for BTS has been its internship program. This program has resulted in training opportunities and, in many cases, permanent employment to a diverse group of employees from underserved communities.

### **Office of the CAO**

DAM has established equity as one of its seven core values, and models equity in its daily activities. Facilities Services demonstrates its commitment to equity through active participation in the Prime Contractor Development Program, compliance with all applicable laws and City policies governing contracting with minority-owned businesses and community benefit agreements on large capital projects, focused minority outreach for position recruitments, creation of the FMT Apprenticeship and Utility Worker programs intended to increase the representation of historically under-represented classes in the Facilities Services workforce, and active participation in the OMF Equity Committee.

HUCIRP is requesting to increase the capacity of CS PDX program. Clean Start is a homeless-to-work program that provides job training and mentorship to individuals receiving services from Central City Concern's addictions recovery and mental health care system. Many of the individuals in this program are early in recovery and coming out of homelessness or re-entering society from the criminal justice system.

SVVAP's budget has sufficient capacity to actively pursue goals in the bureau's Racial Equity Plan. The Spectator Venues Program budget supports employee equity by doing enhanced outreach to underrepresented communities during hiring processes, and in recent recruitments has met goals for diversity in application pools.

3. [How does your bureau use quantitative and qualitative data to track program access and service outcomes for different populations?](#)

### **Bureau of Human Resources**

BHR WRT tracks the number of qualified applicants and hires who self-identify as being members of protected classes. As part of the central accommodation process, accommodation requests and fulfillment will be tracked and reported in the HR dashboard. Title I is a significant focus for WRT. In addition, WRT is responsible for the Affirmative Action Plan and reporting to the Office of Federal Contract Compliance

Programs. It is the mission of WRT to ensure equal opportunity employment. All efforts and strategies in WRT focus on equity and diversity.

Currently the racial/ethnic make up of the workforce is 23%. Of the City employees who self-identified as people of color on July 1, 2016, 15% are no longer with the City as of today. The City's goal as located in the 2018-2022 Affirmative Action Plan.

<https://www.portlandoregon.gov/bhr/27806>

### **Bureau of Revenue and Financial Services**

BRFS's Procurement Services utilizes three software programs to record bid results and ensure adherence to program requirements: BuySpeed, B2G, and LPTracker. Designed to gather data related to bidders, contract awards, outreach efforts, utilization of subcontractors, workforce hiring, and payments to prime and sub-contractors, the software provides continuous information to buyers, compliance personnel, and program managers. In addition to providing a means to report contracting results to a variety of stakeholders, the staff uses the programs to continuously monitor sub-contractor and workforce utilization and payments to determine if program requirements are being met and to begin remediation of shortfalls, errors, or non-compliance. Data and statistics collected are used to generate periodic reports for stakeholders including City Council, City bureaus and employees, contractors, the public, professional organizations, civic organizations, and individuals. In addition to collecting and using data to monitor its own activities, Procurement Services contracts with other agencies to provide monitoring and compliance services. This ensures greater contracting equity region wide and expanded opportunities for discussion and improvement.

### **Bureau of Technology Services**

BTS does not track program access and service outcomes for different populations.

### **Office of the CAO**

HUCIRP tracks program access through Clean Start. One of the duties that Clean Start performs on behalf of HUCIRP is performing risk assessments on each and every report of unsanctioned camping throughout the City. It has allowed HUCIRP to respond to reports based on risks posed as opposed to calls generated and has allowed a more equitable distribution of service delivery Citywide. The City can now respond to calls within 12-24 hours.

The Spectator Venues Program does not provide direct program services and therefore does not track program access or service outcomes. Indirectly, the Spectator Venues Program provides funds to address ADA barriers at the venues within the program portfolio and tracks progress toward correcting those barriers.

- At Providence Park in FY 2017-18 and FY 2018-19, the program has focused primarily on the major expansion project, though several barriers were mitigated through bathroom remodeling projects. Operating procedures have been changed to allow for rearranging furniture in the suite levels upon request and to regularly tighten

gravity hinges in water closet doors to make sure they automatically close. Also noteworthy is the ongoing expansion of the east side of the stadium which will result in the mitigation of several barriers in that section of the building. Overall, approximately 45% of the 446 barriers identified at the stadium have now been mitigated. Depending on available resources and timing, there may be an opportunity to begin additional architectural and engineering work to better understand options to mitigate some of the more challenging barriers on the old side of the stadium in FY 2019-20.

- At the Veterans Memorial Coliseum, 61 identified ADA barriers were addressed in FY 2017-18 including barriers in the front entryway as the main doors were upgraded to be compliant and additional power-actuated doors were installed. In addition, non-compliant turnstiles and unnecessary obstacles in the main entryway were removed, greatly improving access and flow in the entry area of the concourse. The concession stands also underwent renovation and counter heights were adjusted, addressing all barriers to service at the concessions. The estimated cost for the work elements related to all ADA barriers removed is \$435,000. An estimated 10% of the 642 identified barriers at the facility have now been addressed. In the current year, efforts have focused on obtaining funding to support a major renovation of the facility. If that project proceeds, it would mitigate the remaining barriers at the facility.
- FY 2017-18 was the first year of the ADA Transition Plan work plan for the three performing arts facilities operated by Portland’5. Portland’5 staff were able to address 91 of 1,549 identified barriers during the year, representing approximately 6% of the total. In FY 2018-19, Portland’5 is focusing on signage upgrades that will mitigate a number of barriers. This work will continue in FY 2019-20.

#### 4. How did you consider the impacts on underserved communities in the development of your budget?

##### **Bureau of Human Resources**

The Employee Relations program benefits communities of color and persons with disabilities by working to provide access to employment as well as assist with identifying accommodations for City employees in accordance with Title I.

##### **Bureau of Revenue and Financial Services**

Within BRFS, the Procurement Services budget is largely focused on providing contracting opportunities, outreach, and communication to underserved communities. Accounting ensures there is sufficient funding for translation of the City’s PAFR.

##### **Bureau of Technology Services**

BTS provides information technology and telecommunications services primarily to internal City customers. Although an internal service provider, BTS strives to use the equity lens and the goals of the bureau’s Five-Year Racial Equity Plan when making

budgetary, staffing, and procurement decisions. A great area of success for BTS has been its internship program. This program has resulted in training opportunities and, in many cases, permanent employment to a diverse group of employees from underserved communities.

#### **Office of the CAO**

Facilities Services is requesting several new positions including Facilities Maintenance Technicians and Utility Workers, knowing that these are strong opportunities to increase diversity as demonstrated by several recruitments over the last few years.

The Spectator Venues Program does not provide direct program services to underserved communities and therefore does not specifically consider these impacts in budget development. However, the program staff, as allowed within the terms of the operating agreements, works with the venue operators to encourage and support their efforts to provide equitable access to the venues including amateur sports and non-profit community events.

5. [Have you made any significant realignments or changes to your bureau's budget? If so, how/do these changes impact the community? Is this different for communities of color and/or people with disabilities?](#)

#### **Bureau of Human Resources**

In FY 2019-20 the BHR has requested funding for an ADA accommodations fund to support reasonable accommodations for disabled employees Citywide.

#### **Bureau of Revenue and Financial Services**

Procurement Services has not significantly changed or realigned its budget. Efficiencies from prior years resulting in significant savings have allowed the division to carry funds forward in anticipation of a regional Disparity Study in out years. Such a study will impact communities of color and people with disabilities by identifying regional disparities. Identifying disparities provides legal justification for continuation of Social Equity Contracting, which directly benefits communities of color and people with disabilities by allowing the provision of focused contracting opportunities.

#### **Bureau of Technology Services**

There have been no significant realignments that advance or inhibit equity. However, any alignments to the base budget are always done with the equity lens and the BTS Five-Year Racial Equity Plan in mind.

6. [If your bureau has capital assets, how does your Requested Budget take into consideration intergenerational equity \(ensuring that those who are currently benefiting from the service are paying for its upkeep versus placing the financial burden on future generations\)?](#)

**Bureau of Technology Services**

BTS capital assets are generally dedicated for internal City infrastructure, are funded via interagency rates, and should not result in the financial burden being placed on future generations.

**Office of the CAO**

Facilities Services funds its operations out of current-year funding and major maintenance funding is straight-lined over the life of building assets.

The capital assets within the Spectator Venues Program portfolio are all operated under long term agreements with public or private sector organizations. Those agreements include financial terms related to venue repair and maintenance and were all developed and entered into prior to the City's commitment to intergenerational equity. The agreements largely place the cost of long-term capital repair and renovation on the City. The Spectator Venues and Visitor Activities Fund (SVVAF), a segregated enterprise Fund, receives revenue from venues under these agreements and is responsible for paying for repair and renovation. The methods used to establish venue revenue did not include a long-term capital repair and replacement cost analysis, and revenues to the SVVAF have been insufficient to address repair and replacement needs. As a result, many of the older venues suffer from some degree of deferred capital replacement and one is in need of a major reinvestment project.

7. [If applicable, how is funding being prioritized to meet obligations related to Title II of the Americans with Disabilities Act and the bureau's Transition Plan barrier removal schedule?](#)

**Bureau of Human Resources**

Not applicable.

**Bureau of Revenue and Financial Services**

Accounting uses the IRS accessible W-9 form, in alignment with the City's ADA Title II Non-Discrimination Policy ADM 18.21.

**Bureau of Technology Services**

Not applicable.

**Office of the CAO**

ADA barriers are being addressed in Facilities Services according to the division's barrier plan timeline. Completion of the Portland Building reconstruction, 1900 Building bathroom and hearings room remodels and signage projects, and concerted police facility ADA barrier removal efforts have put the division ahead of schedule, with hundreds of barriers removed. The projects are funded primarily through major maintenance or debt financing, with funds accrued through rental rates.

The Spectator Venues Program provides funds to address ADA barriers at the venues within the program portfolio and tracks progress toward correcting those barriers consistent with the City's Transient Plan for those facilities. In FY 2017-18 the program completed a two-year effort to build a database to improve tracking of the implementation of the 20-year work plans. Funding for ADA barrier removal is prioritized in conjunction with other obligations of the SVVAF for facility operations and repair and other required program activities. The Spectator Program continues to make progress on addressing ADA barriers. Results for FY 2018-19 are as follows:

- At Providence Park in FY 2017-18 and FY 2018-19, the program has focused primarily on the major expansion project, though several barriers were mitigated through bathroom remodeling projects. Operating procedures have been changed to allow for rearranging furniture in the suite levels upon request and to regularly tighten gravity hinges in water closet doors to make sure they automatically close. Also noteworthy is the ongoing expansion of the east side of the stadium which will result in the mitigation of several barriers in that section of the building. Overall, approximately 45% of the 446 barriers identified at the stadium have now been mitigated. Depending on available resources and timing, there may be an opportunity to begin additional architectural and engineering work to better understand options to mitigate some of the more challenging barriers on the old side of the stadium in FY 2019-20.
- At the Veterans Memorial Coliseum, 61 identified ADA barriers were addressed in FY 2017-18 including barriers in the front entryway as the main doors were upgraded to be compliant and additional power-actuated doors were installed. In addition, non-compliant turnstiles and unnecessary obstacles in the main entryway were removed, greatly improving access and flow in the entry area of the concourse. The concession stands also underwent renovation and counter heights were adjusted, addressing all barriers to service at the concessions. The estimated cost for the work elements related to all ADA barriers removed is \$435,000. An estimated 10% of the 642 identified barriers at the facility have now been addressed. In the current year, efforts have focused on obtaining funding to support a major renovation of the facility. If that project proceeds, it would mitigate the remaining barriers at the facility.
- FY 2017-18 was the first year of the ADA Transition Plan work plan for the three performing arts facilities operated by Portland's. Portland's staff were able to address 91 of 1,549 identified barriers during the year, representing approximately 6% of the total. In FY 2018-19, Portland's is focusing on signage upgrades that will mitigate a number of barriers. This work will continue in FY 2019-20.

8. If applicable, how does your bureau's budget create contracting opportunities for disadvantaged, minority, women, and emerging small businesses (D/M/W/ESB)?

### **Bureau of Revenue and Financial Services**

Procurement Services oversees the City's procurement processes and provides programs, services, and activities designed to increase the involvement and capacity of D/M/W/ESB firms. The City partners with other regional agencies to build contracting equity and create opportunities. Some of the programs and activities include, but are not limited to:

- Prime Contractor Development Program
- Workforce Training and Hiring Program
- Minority Evaluator Program
- Subcontractor Equity Program
- Fair Contracting Forum
- Attendance and outreach at regional events and organization meetings
- Contract compliance monitoring
- Partnership and utilization of community recruitment resources
- Contractor self-reporting and registration portal
- Partnership with State of Oregon for M/W/ESB information
- Written and oral presentation of reports to a wide variety of stakeholders

### **Bureau of Technology Services**

Although not applicable to budget development, BTS always uses an equity lens and the outreach opportunities provided by Procurement Services when seeking contracting opportunities for D/M/W/ESB businesses in its solicitations.

### **Office of the CAO**

Facilities Services creates contracting opportunities through active participation in the Prime Contractor Development Program and by operating in compliance with all applicable laws and City policies governing contracting with minority-owned businesses and community benefit agreements on large capital projects.

Three out of the four vendors used by HUCIRP are D/M/W/ESB businesses

The Spectator Program staff seeks bids from qualified COBID (D/M/W/ESB) certified firms on all contracts, which are primarily professional services contracts. Program staff uses the State of Oregon COBID Certification Directory as well as other resources to identify potential contractors. In FY 2018-19 69% of the Program's PTE contracts were held by COBID firms.

The Portland Building Reconstruction project has an Equity, Inclusion, and Diversity plan with robust D/M/W/ESB contracting goals for both PTE, and construction. These goals are monitored and tracked by the Social Equity committee and Portland Building Community Oversight Committee. Consultants have been hired by the Owner's Representative and Contractor to support the goals and help attract, retain, and support equity consultants and contractors.

The Portland Building Reconstruction project also set aside \$1 million for community opportunities and enhancements to increase contracting opportunities for minority and

under-represented contractors. In addition, OMF was charged with preparing a plan for the \$1 million with a focus on building long-term capacity in the minority contracting community. There is also support for regional collaboration on this initiative.

9. If your bureau has dedicated equity staff, such as an Equity Manager, how were they involved in developing your bureau's Requested Budget?

N/A

## **SECTION TWO: EQUITABLE ENGAGEMENT AND ACCESS**

10. What funding have you allocated in your bureau's budget to meet the requirements of ADA (Americans with Disabilities Act) Title II and Civil Rights Title VI? This includes but is not limited to:
- Funding for translation, interpretation, video captioning, and other accommodations
  - Translation of essential documents into safe harbor languages

### **Bureau of Human Resources**

In FY 2019-20 the BHR has requested funding for an ADA accommodations fund to support reasonable accommodations for disabled employees.

### **Bureau of Revenue and Financial Services**

Accounting Division translates PAFR into Chinese, Russian, Spanish and Vietnamese. Revenue Division ensures that all tax programs are accessible to non-English speaking taxpayers. Accounting uses the IRS accessible W-9 form, in alignment with the City's ADA Title II Non-Discrimination Policy ADM 18.21.

### **Bureau of Technology Services**

Internal funding for Title II and Civil Rights Title VI requirements including translation, interpretation, and ADA accommodation is funded as set out in BTS's Racial Equity Plan. BTS also provides translation services to other internal City customers. Formal Standards for ADA Assistive Technologies: Several products have been included for use as ADA assistive technologies. These products have been identified in the document with the [ADA] tag. These products are also listed under the ADA index entry. BTS worked with BHR to develop the list. The products were identified through discussion with external agencies such as Oregon Commission for the Blind and review of products currently in use within the City infrastructure. While not an exhaustive list, it represents products thought to be most commonly used. By including these products in the BTS Standards Directory, the need to submit an exception is eliminated, thereby streamlining the processes for acquisition.

## Office of the CAO

In Facilities Services, ongoing ADA barrier removals are funded primarily through major maintenance funds or debt financing accrued through rental rates.

HUCIRP has translated their “One Point of Contact” informational brochures into the ten safe harbor languages to ensure that everyone within the Portland community has access to these services. Additionally, the program works to maintain compliance with ADA accessibility on sidewalks and rights-of-way.

### 11. How have community members engaged with your requested budget, including this tool?

As OMF is primarily an internally-focused provider of services to City Council and City bureaus, community members do not directly engage with OMF in the development of the Requested Budget. However, its budget development does engage feedback from the Community Representatives on the OMF Bureau Advisory Committee (BAC).

Additionally, HUCIRP has engaged with community members directly via neighborhood association meetings, Public Safety Action Committees, and A Home for Everyone’s Safety Off the Streets workgroup.

### 12. How does this budget build the bureau’s capacity to engage with and include communities most impacted by inequities? (e.g., improved leadership opportunities, advisory committees, commissions, targeted community meetings, stakeholder groups, increased outreach, etc.)

As OMF is primarily an internally-focused provider of services to City Council and City bureaus, community members do not directly engage with OMF in the development of the Requested Budget. However, its budget development does engage feedback from the Community Representatives on the OMF BAC.

Additionally, HUCIRP’s budget allows for regular attendance at community governance meetings and public safety meetings (ex. AHFE, SOS, PSAC, NA).

### 13. How does this budget build community capacity and power in communities most impacted by inequities? (e.g., improved leadership opportunities within BAC, community meetings, stakeholder groups, increased outreach, etc.)

As OMF is primarily an internally-focused provider of services to City Council and City bureaus, community members do not directly engage with OMF in the development of the Requested Budget. However, its budget development does engage feedback from the Community Representatives on the OMF BAC.

HUCIRP's budget allows for regular attendance at community governance meetings and public safety meetings. The best example is HUCIRP's participation in the Safety off the Streets workgroup (SOS) which is in direct contact with in the field service providers and individuals experiencing homelessness.

## Identifying Impacts Worksheet

Please use the following chart to name the potential burdens and benefits.

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
People of color disproportionately impacted by workforce disparities	Develop apprenticeship programs to address several goals not only for recruitment and succession planning, but also to meet the City's organizational and community growth goals.	N/A
Non-English-speaking community members	Popular Annual Financial Report (PAFR) and has each year's PAFR translated into Chinese, Russian, Spanish and Vietnamese. Revenue tax documents printed in ten harbor languages	N/A
People living with a disability	Increasing access to spectator venues as barriers are eliminated.	N/A
People needing ADA accommodation	Develop a Central Accommodations Fund to provide Citywide accommodations.	

\_\_\_\_\_  
Name of Staff Contact

\_\_\_\_\_  
Name of Bureau Director

\_\_\_\_\_  
Date

Rev: December 2018



# FEE STUDY

# Office of Management & Finance

FY 2019-20 Fee Study

Overview

## Context

Comprehensive Financial Management Policy 2.06 states that all bureaus charging fees are required to complete fee studies based upon cost-of-service principles. These studies are to be updated at a minimum of every three years and provided to City Council and the City Budget Office as part of the Requested Budget Submission.

The policy requires that a fee analysis take into account the following:

- The degree to which a service provides a general benefit in addition to the private benefit provided to a specific business, property, or individual.
- The economic impact of new or expanded fees, especially in comparison with other governments within the metropolitan area. Business service activities that recover costs through rates and interagency agreements will periodically compare the cost of their fees and rates with other comparable agencies and/or businesses and report these findings to their customers.
- The true or comprehensive cost of providing a service, including the cost of fee collection, administration, and other indirect costs.
- The impact of imposing or increasing fees on economically at-risk populations and on businesses.
- The overall achievement of City goals. The City may subsidize the services funded primarily by user fees based on other objectives.

## Scope of Fee Study

Multiple business units within the Office of Management & Finance (OMF) charge rates and fees to both internal and external customers. This study is organized into two main sections:

1. External Fees. Fees charged to the public for services provided or regulatory purposes. The following additional considerations and exclusions apply:
  - If a fee is included in the annual Internal Service Fund rate-setting analysis, no further analysis is included in this section of the study. Only characteristics of the fees will be included (e.g., fee description, category, rate, etc.).
  - If a fee simply passes costs through, provides a public service through partial cost recovery, or is contracted on a case-by-case basis, no further analysis is included in this study. Only characteristics of the fees will be included (e.g., fee description, category, rate, etc.).
  - If a fee or group of fees is currently under analysis by a bureau, OMF will support the work and reference, summarize, and/or wholly include bureau results rather than duplicate the effort.
2. Internal Fees. Fees charged exclusively to internal (City) or intergovernmental customers.

- OMF engaged an outside consultant, Synergy Resources Group, to analyze selected internal rates and conduct detailed comparisons to both public and private sector benchmarks. This OMF Internal Service Rate Study is attached as a separate document.

### Fee Study Components- External Fees

The following fee study components were developed to ensure that all requirements are taken into account, and to provide data for consideration, decision making, and comprehensive analysis:

1. Fee Category Matrix and Analysis Descriptions. This fee study component defines OMF fee categories based on cost-of-service principals and explains the analysis criteria applied to each. For example, certain fees are established to recover the full cost of service while others are established to penalize violations.
2. Fee Characteristics Table. This component provides statistical information for all OMF fees within the scope of the study, with data as of December 31<sup>st</sup> of the prior fiscal year.
3. Fee Descriptions. This component provides a narrative description for each fee or service type (group of fees), including an explanation of service benefits, how the fee achieves City goals, and other contextual information.
4. Fee Study and Analysis Supporting Documentation. When OMF does a separate study or report that provides supplemental information and more detailed analysis on cost recovery fees, it will be appended to the fee study in this section.

### Project Summary Statistics

Bureau	Service Type (to roll up fees under grouped Services)	Total Fees
BTS	800MHz Access Fees	1
Revenue	Business Permitting - Regulated Business Fees	18
BIBS - P&D	P & D - Public Copier Services	13
BIBS - Facilities	Meeting Room Charges - Equipment	8
	Meeting Room Charges - Janitorial	1
	Meeting Room Charges - Room	13
	Meeting Room Charges - Security	4
	Regulatory - Regulated Business Fees	3
<b>Grand Total</b>		<b>61</b>

### External Fees- Recommended Actions

Recommended actions for meeting room charges and equipment fees include updating fees to reflect the current market rates in FY 2019-20 as part of reopening the Portland Building. Portland Oregon Sign Licensing Fee recommended action includes seeking federal trademark registration. Revenue Division recommends evaluating their social games permit fees to reflect updated codes. Other recommendations include increasing the amusement permit fee and develop a new tiered fee structure for a pay and park facility.

## **Fee Study Components- Internal Fees**

A copy of the Internal Service Rate Study prepared by Synergy Resources in November 2018 is included.

### **Internal Fees- Report Summary**

For selected cost of service rates in P&D, CityFleet, Facilities, and BTS, a consultant reviewed rate methodologies, surveyed private sector and public sector organizations to find rates they charged for similar services, analyzed whether the rates and total cost of service could be compared, summarized findings including how cost competitive the City was, and provided any recommended charges in rates. OMF Business Operations will evaluate implementing the recommendations as part of the FY 2020-21 IA rate preparation process.

The consultant also surveyed organizations to find how comparable selected BTS cost allocation rates were. The consultant found these services are bundled in a variety of ways and could not find comparable rates. The consultant did review BTS methodologies for these rates and found them to be sound.

In summary, the consultant found the City to be cost competitive with the private sector for rates that were determined to be comparable. For some rates that weren't necessarily cost comparable, the consultant was able to determine that the City's overall cost for a service was competitive. The consultant found it difficult to compare rates with the public sector due to different ways organizations provide and manage these services. The consultant did not recommend any changes to the rate methodologies for the selected IA rates. Appendices for the study are available online at the hyperlink below.

### **Applicable Policy and Reference Material**

#### **[Comprehensive Financial Management Policies FIN-2.06 – Revenue](http://www.portlandonline.com/auditor/index.cfm?c=47787&a=200836)**

<http://www.portlandonline.com/auditor/index.cfm?c=47787&a=200836>

#### **[Comprehensive Financial Management Policies Procedure FIN-2.06.01 Roles and Responsibilities for Revenue](http://www.portlandoregon.gov/brfs/article/501600)**

<http://www.portlandoregon.gov/brfs/article/501600>

#### **[OMF Policy 4.01 Financial Reporting](http://www.portlandoregon.gov/cao/article/548829)**

<http://www.portlandoregon.gov/cao/article/548829>

#### **[Internal Service Rate Study and Appendices](https://www.portlandoregon.gov/omf/article/702806)**

<https://www.portlandoregon.gov/omf/article/702806>

**Office of Management & Finance**  
 FY 2019-20 Fee Study  
 Fee Category Matrix and Analysis Descriptions

**Fee Category Definitions**

- **Cost Recovery.** This category is comprised of fees that are established to recover the full cost of service, including administration and implementation costs. A fee, or group of fees, categorized as cost recovery requires a comprehensive analysis.
- **Internal Service Fund (ISF).** The Internal Service Fund category is comprised of fees that are included in yearly rate-setting analysis by internal service providers and, as such, are set to recover the cost of services and administration. Internal service providers are evaluated annually by the budget process, during which the cost of providing a service, budget resources/constraints to administer each fee, and fund balances are approved by Council.
- **Market Rate/Pass-Through.** Fees established by market rates, or established to pass costs through to the public, are categorized as Market Rate/Pass-Through fees. A Market Rate/Pass-Through fee can also be administered by an internal service provider; this category was established to carve out fees that are not necessarily influenced by the rate-setting process undertaken annually by the internal service funds. Market Rate/Pass-Through fees are more influenced by negotiated contractual or market costs, such as contracted security or equipment rental rates.
- **Public Service.** Fees that are not established to recover the cost of services provided, administration or operations, but rather are associated with a service that benefits the public, encourages participation, or similarly makes a service more widely available are designated Public Service. Like Market Rate/Pass-Through fees, a Public Service fee can also be administered by an internal service fund and was established to carve out fees that are not necessarily influenced by the rate-setting process undertaken annually by the internal service funds.
- **Compliance Penalty.** This category of fees include penalties charged to the public for a violation. These penalties fees are designed as disincentives for the violation and may or may not recover all costs.

**Categorization and Analysis Applied**

Fee Category	Analysis Applied
Cost Recovery	<ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Cost of Service</li> <li>• Cost Recovery</li> <li>• Economic Impact</li> <li>• Description, including achievement of City goals</li> </ul>
Internal Service Fund	<ul style="list-style-type: none"> <li>• Characteristics</li> </ul>

	<ul style="list-style-type: none"> <li>• Description, including achievement of City goals</li> </ul>
Market Rate / Pass-Through	<ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Description, including achievement of City goals</li> </ul>
Public Service	<ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Description, including achievement of City goals</li> </ul>
Compliance Penalty	<ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Description, including achievement of City goal</li> </ul>

Analysis Applied:

- Characteristics – OMF Business Operations will record and keep up-to-date a record of all fees charged to the public and include the following information:
  - Bureau
  - Fee Title and Description
  - Service Type
  - Fee Category
  - New or expanded fee?
  - Code, ordinance, or other authorizing source material if applicable
  - Who pays the fee
  - Unit or period fee is applied to
  - Current or proposed fee
- Cost of service – Analysis of the cost to provide service, by grouping strategy if applicable.
- Cost recovery – Analysis of service type activity.
- Economic impact – Impact analysis of new or expanded fees.
- Description and achievement of City goals – Description and summary of key connections to City objectives.
- Market rate analysis –Methodology/study used to establish fee.

**Office of Management and Finance**

FY 2019-20 Fee Study

Fee Characteristics Table

								FY 2019-20
Bureau	Fee Title/Description	Service Type (to roll-up fees under grouped Services)	Category	New or Expanded Fee?	(Authority: Code, ordinance, etc. if applicable)	Who pays fee	Unit or Period Fee applied to	Current fee
BIBS - Facilities	Equipment Rental - Chart Paks	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 25.00
BIBS - Facilities	Equipment Rental - Easel/tripod	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 5.00
BIBS - Facilities	Equipment Rental - Outdoor Sound Sys	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 25.00
BIBS - Facilities	Equipment Rental - Podium	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 20.00
BIBS - Facilities	Equipment Rental - Speaker Phone	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 25.00
BIBS - Facilities	Equipment Rental - Standing Mics	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 5.00
BIBS - Facilities	Equipment Rental - Table Top Mics	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 5.00
BIBS - Facilities	Equipment Rental - Wireless Mics	Meeting Room Charges - Equipment	Public Service	No	N/A	Various	Unit	\$ 25.00
BIBS - Facilities	Janitorial	Meeting Room Charges - Janitorial	Market Rate/Pass-Through	No	N/A	Various	Rate/Hr	\$ 30.00
BIBS - Facilities	1900 Bldg - 1st Fl. Lobby	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 110.00
BIBS - Facilities	1900 Bldg - 2500	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 28.00
BIBS - Facilities	1900 Bldg - 2500 A	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 23.00
BIBS - Facilities	1900 Bldg - 2500 B	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 18.00
BIBS - Facilities	City Hall - 1st Fl. Public	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 285.00
BIBS - Facilities	City Hall - Chambers	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 249.00
BIBS - Facilities	City Hall - Full Facility	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 446.00
BIBS - Facilities	City Hall - Lovejoy	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 36.00
BIBS - Facilities	City Hall - Pettugrove	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 29.00
BIBS - Facilities	City Hall - Rose	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 57.00
BIBS - Facilities	The Portland Bldg - Auditorium	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 37.00
BIBS - Facilities	The Portland Bldg - Room B	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 27.00
BIBS - Facilities	The Portland Bldg - Room C	Meeting Room Charges - Room	Market Rate/Pass-Through	No	N/A	Various	Event	\$ 45.00
BIBS - Facilities	Security - 0-50	Meeting Room Charges - Security	Market Rate/Pass-Through	No	N/A	Various	Rate/Hr	\$ 45.00
BIBS - Facilities	Security - 100-200	Meeting Room Charges - Security	Market Rate/Pass-Through	No	N/A	Various	Rate/Hr	\$ 90.00
BIBS - Facilities	Security - 201+	Meeting Room Charges - Security	Market Rate/Pass-Through	No	N/A	Various	Rate/Hr	\$ 135.00
BIBS - Facilities	Security - 50-100	Meeting Room Charges - Security	Market Rate/Pass-Through	No	N/A	Various	Rate/Hr	\$ 45.00
BIBS - Facilities	Film Agreement Fees	Regulatory - Regulated Business Fees	Public Service	No	N/A	Various	Per application	\$ 250.00
BIBS - Facilities	Portland Sign Fees	Regulatory - Regulated Business Fees	Market Rate/Pass-Through	Yes	N/A	Public	Per application	Varies by company's annual gross income
BIBS - Facilities	Rental Application Fee	Regulatory - Regulated Business Fees	Public Service	No	N/A	Various	Per application	\$ 250.00
BIBS - P&D	Copier Services - 1900 Bldg. - 11" copies	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.15
BIBS - P&D	Copier Services - 1900 Bldg. - 14" copies	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.20
BIBS - P&D	Copier Services - 1900 Bldg. - 17" copies	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.25
BIBS - P&D	Copier Services - 1900 Bldg. - B/W 30x42 scans	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.25
BIBS - P&D	Copier Services - 1900 Bldg. - B/W scans	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.30
BIBS - P&D	Copier Services - 1900 Bldg. - B/W production scans	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.20
BIBS - P&D	Copier Services - 1900 Bldg. - Color scans	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.60
BIBS - P&D	Copier Services - 1900 Bldg. - Large format file set up	P & D - Public Copier Services	Public Service	No	N/A	Public	Set Up	\$ 4.50
BIBS - P&D	Copier Services - 1900 Bldg. - Large format B/W prints	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.15
BIBS - P&D	Copier Services - 1900 Bldg. - Large format production B/W prints	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 0.10
BIBS - P&D	Copier Services - 1900 Bldg. - Microfiche prints	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 3.50
BIBS - P&D	Copier Services - 1900 Bldg. - Long run fiche prints	P & D - Public Copier Services	Public Service	No	N/A	Public	Copy	\$ 2.00
BIBS - P&D	Copier Services - 1900 Bldg. - Hourly Rate (extra services as needed)	P & D - Public Copier Services	Public Service	No	N/A	Public	Rate/Hr	\$ 92.65
BTS	Access Fee	800MHz Access Fees	ISF	No	N/A	Various	Annual	\$ 529.29
Revenue	Pay and Park Lot Penalty	Business Permitting - Regulated Business Fees	Compliance Penalty	No	Code	Violator	Per violation	Range: \$100 - \$500
Revenue	Pay and Park Lot Registration	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Annual	Range: \$250 - \$500
Revenue	Amusement Device New Application L1 (1-3 devices)	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	Combined with L2
Revenue	Amusement Device New Application L2 (4-6 devices)	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	\$ 125.00
Revenue	Amusement Device New Application L3 (7-9 devices)	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	\$ 250.00
Revenue	Amusement Device New Application L4 (10-19 devices)	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	\$ 500.00
Revenue	Amusement Device New Application L5 (20+ devices)	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	\$ 1,000.00
Revenue	Amusement Device Renewals	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Annual	Range: \$125 - \$1,000
Revenue	Payday Lender Permit Fee	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Annual	\$ 1,500.00
Revenue	Secondhand Dealer Initial Application "Occasional"	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	\$ 100.00
Revenue	Secondhand Dealer Initial Application "Regular"	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	\$ 500.00
Revenue	Secondhand Dealer Penalty	Business Permitting - Regulated Business Fees	Compliance Penalty	No	Code	Violator	Per violation	\$ 500.00
Revenue	Secondhand Dealer Renewal "Occasional"	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Annual	\$ 50.00

**Office of Management and Finance**

FY 2019-20 Fee Study

Fee Characteristics Table

								FY 2019-20
Bureau	Fee Title/Description	Service Type (to roll-up fees under grouped Services)	Category	New or Expanded Fee?	(Authority: Code, ordinance, etc. if applicable)	Who pays fee	Unit or Period Fee applied to	Current fee
Revenue	Secondhand Dealer Renewal "Regular"	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Annual	\$ 450.00
Revenue	Secondhand Upgrade "Occasional" to "Regular" 1st year	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per upgrade	\$ 400.00
Revenue	Social Games Initial Permit Application	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Per application	\$ 1,500.00
Revenue	Social Games Penalty	Business Permitting - Regulated Business Fees	Compliance Penalty	No	Code	Violator	Per violation	Range: \$100 - \$500
Revenue	Social Games Permit Renewal	Business Permitting - Regulated Business Fees	Cost Recovery	No	Code	Permittee	Annual	\$ 1,500.00

**Office of Management & Finance**

FY 2019-20 Fee Study

Fee Description

**Bureau of Internal Business Services – Facilities Services**

**Fee**

Meeting Room Charges

**Fee Description**

Fees charged to entities for the use of meeting rooms at City Hall, the Portland Building, and the 1900 Building.

**Service Benefit**

Provide meeting rooms for public use.

**Fee Category and Rate Formulation**

Market Rate/Pass Through – The fees have remained unchanged for several years and are currently under review as part of reopening the Portland Building.

**Economic Impact of New or Expanded Fees**

Revenue generated through fee increases help to offset building operating costs.

**The impact of imposing or increasing fees on economically at-risk populations and on businesses.**

N/A

**The overall achievement of City goals.**

The fees support the City goal of promoting economic vitality and opportunity by providing meeting space to for-profit entities.

**Fee Detail**

Fee Title/Description	Category	Unit or Period Fee applied to	Current fee
City Hall - Pettygrove	Market Rate/Pass Through	Rate/Hr	\$29.00
City Hall - Lovejoy	Market Rate/Pass Through	Rate/Hr	\$36.00
City Hall - Rose	Market Rate/Pass Through	Rate/Hr	\$57.00
City Hall - Chambers	Market Rate/Pass Through	Rate/Hr	\$249.00
City Hall - 1st Fl. Public	Market Rate/Pass Through	Rate/Hr	\$285.00
City Hall - Full Facility	Market Rate/Pass Through	Rate/Hr	\$446.00
The Portland Bldg - Room B	Market Rate/Pass Through	Rate/Hr	\$27.00
The Portland Bldg - Room C	Market Rate/Pass Through	Rate/Hr	\$45.00
The Portland Bldg - Auditorium	Market Rate/Pass Through	Rate/Hr	\$37.00
1900 Bldg - 2500 A	Market Rate/Pass Through	Rate/Hr	\$23.00
1900 Bldg - 2500 B	Market Rate/Pass Through	Rate/Hr	\$18.00
1900 Bldg - 2500	Market Rate/Pass Through	Rate/Hr	\$28.00
1900 Bldg - 1st Fl. Lobby	Market Rate/Pass Through	Rate/Hr	\$110.00

**Subsidized Service Data**

N/A

**Recommended Actions**

Update fees to reflect current market rates in FY 2019-20. Review currently underway.

**Office of Management & Finance**

FY 2019-20 Fee Study

Fee Description

**Bureau of Internal Business Services – Facilities Services**

**Fee**

Meeting Room Equipment

**Fee Description**

Fees charged for equipment rental associated with the use of meeting rooms at City Hall, the Portland Building, and the 1900 Building.

**Service Benefit**

Provide meeting rooms for public use.

**Fee Category and Rate Formulation**

Public Service – The fees have remained unchanged for several years and are currently under review as part of reopening the Portland Building.

**Economic Impact of New or Expanded Fees**

N/A

**The impact of imposing or increasing fees on economically at-risk populations and on businesses.**

N/A

**The overall achievement of City goals.**

The fee supports the City goal of promoting economic vitality and opportunity by providing meeting space.

**Fee Detail**

Fee Title/Description	Category	Unit or Period Fee applied to	Current fee
Podium	Public Service	Unit	\$20.00
Table Top Mics	Public Service	Unit	\$5.00
Standing Mics	Public Service	Unit	\$5.00
Wireless Mics	Public Service	Unit	\$25.00
Easel tripod	Public Service	Unit	\$5.00
Chart Paks	Public Service	Unit	\$25.00
Speaker Phone	Public Service	Unit	\$25.00
Outdoor Sound Sys	Public Service	Unit	\$25.00

**Subsidized Service Data**

N/A

**Recommended Actions**

Update fees to reflect current market rates in FY 2019-20. Review currently underway.

**Office of Management & Finance**

FY 2019-20 Fee Study

Fee Description

**Bureau of Internal Business Services – Facilities Services**

**Fee**

Meeting Room Janitorial

**Fee Description**

Fees charged for janitorial services associated with the use of meeting rooms at City Hall, the Portland Building, and the 1900 Building.

**Service Benefit**

Provide meeting rooms for public use.

**Fee Category and Rate Formulation**

Market Rate/Pass-Through – Rates are based on the fees charged under the City contract for janitorial services. Contract amendments do not follow the fiscal year cycle, so they may change part way through the year.

**Economic Impact of New or Expanded Fees**

Revenue generated through fees covers the cost of providing the service.

**The impact of imposing or increasing fees on economically at-risk populations and on businesses.**

N/A

**The overall achievement of City goals.**

The fee supports the City goal of promoting economic vitality and opportunity by providing meeting space.

**Fee Detail**

Fee Title/Description	Category	Unit or Period Fee applied to	Current fee
Janitorial Fees	Market Rate/Pass-Through	Rate/Hr	\$ 30.00

**Subsidized Service Data**

N/A

**Recommended Actions**

N/A

**Office of Management & Finance**

FY 2019-20 Fee Study

Fee Description

**Bureau of Internal Business Services – Facilities Services**

**Fee**

Meeting Room Security Fees

**Fee Description**

Fees charged for security services associated with the use of meeting rooms at City Hall, the Portland Building, and the 1900 Building.

**Service Benefit**

Provide meeting rooms for public use.

**Fee Category and Rate Formulation**

Market Rate/Pass-Through – Rates are based on the fees charged under the City contract for security. Contract amendments do not follow the fiscal year cycle, so they may change part way through the year.

**Economic Impact of New or Expanded Fees**

Revenue generated through fees covers the cost of providing the service.

**The impact of imposing or increasing fees on economically at-risk populations and on businesses.**

N/A

**The overall achievement of City goals.**

The fee supports the City goal of promoting economic vitality and opportunity by providing meeting space.

**Fee Detail**

Fee Title/Description	Category	Unit or Period Fee applied to	Current fee
Security - 0-50	Market Rate/Pass-Through	Rate/Hr	\$ 45.00
Security - 50-100	Market Rate/Pass-Through	Rate/Hr	\$ 45.00
Security - 100-200	Market Rate/Pass-Through	Rate/Hr	\$ 90.00
Security - 201+	Market Rate/Pass-Through	Rate/Hr	\$ 135.00

**Subsidized Service Data**

N/A

**Recommended Actions**

None

## Office of Management & Finance

FY 2019-20 Fee Study

Fee Description

### Office of Management & Finance

#### Fee

Portland, Oregon Sign Licensing Fee

#### Fee Description

This fee is for the licensed commercial use of the trade-marked Portland, Oregon sign.

#### Service Benefit

Allow the commercial use of the Portland, Oregon sign by private companies.

#### Fee Category and Rate Formulation

Market Rate/Pass-Through – Revenues generated from this fee go toward annual maintenance and repairs of the sign.

#### Economic Impact of New or Expanded Fees

Revenue generated through the fees covers the cost of providing the service.

#### The impact of imposing or increasing fees on economically at-risk populations and on businesses

Fees are waived for government and educational agencies. Non-profits may also request to have fees waived. See attached fee schedule. Licensees that manufacture or have services within the State of Oregon are eligible for a 20% discount.

#### The overall achievement of City goals

The City of Portland acquired the Portland, Oregon sign in 2010. The sign is nationally recognized and represents the City and its community. The fee supports the City goal of endorsing economic vitality.

#### Fee Detail

Fee Title/Description	Category	Unit or Period Fee applied to	Current fee
Portland, Oregon Sign Licensing Fee	Market Rate/Pass-Through	N/A	See Following Page

#### Subsidized Service Data

Fees are waived for government and educational agencies. Non-profits may also request to have fees waived. See following page for fee schedule. Licensees that manufacture or have services within the State of Oregon are eligible for a 20% discount.

#### Recommended Actions

None.

The City of Portland acquired the Portland, Oregon sign in 2010, maintenance fees are currently \$28,000 per year. To offset the taxpayer cost of maintenance fees the City of Portland charges a fee for licensing the Portland Oregon sign trademark.

**Portland, Oregon Sign Fee schedule**

Fees are based on the Business annual gross amount.

**Annual Gross License Fee Amount**

\$100,000 or less \$100.00

\$500,000 or less \$500.00

\$1M or less \$1000.00

\$10M or less \$5000.00

\$100M or less \$10,000.00

\$1B or less \$20,000.00

\$Over 1B \$TBD

**Government and Educational Agency**

Fees are waived.

**Non-profit Organizations**

\$100.00 minimum, merchandizing fee where applicable.

**Derivative Works**

Any changes to the Portland, Oregon sign will incur a fee of 20% of the annual license fee for Business. Non-profit organization will be determined.

**Additional Charges**

Any requests for changes to the City's standard Intellectual Property License Agreement will incur a charge for actual staff time with a minimum of \$250.00 dollars.

**Local Discount** Companies that manufacture or have significant services within the State of Oregon are eligible for a 20% discount.

The City of Portland reserves the right to review and change the fee schedule, at the discretion of the Deputy Chief Administrative Officer. Fees listed are subject to change without notice.

## Office of Management & Finance

FY 2019-20 Fee Study

Fee Description

### Office of Management & Finance

#### Fee

Film Agreement Application Charge [One Time]

#### Fee Description

Fees charged to entities that want to film on any City-owned property managed by OMF, including but not limited to City Hall, the Portland Building, the 1900 Building, or any of the Smart Park garages.

#### Service Benefit

Allow private film/production companies to film on City-owned properties.

#### Fee Category and Rate Formulation

Public Service – The rates have remained unchanged since being introduced a few years ago and were originally based upon fees charged by private entities for comparable application review.

#### Economic Impact of New or Expanded Fees

Revenue generated by the fee helps to offset a portion of OMF's employees' time reviewing the Film Agreement Application for approval.

#### The impact of imposing or increasing fees on economically at-risk populations and on businesses

N/A

#### The overall achievement of City goals

The fee supports the City goal of endorsing economic vitality and opportunity by marketing City-owned properties as a viable option to film in Portland.

#### Fee Detail

Fee Title/Description	Category	Unit or Period Fee applied to	Current fee
Film Agreement Application Fees	Partial Cost Recovery/Public Service	One Time Fee, non-refundable	\$250.00

#### Subsidized Service Data

N/A

#### Recommended Actions

None

## Office of Management & Finance

FY 2019-20 Fee Study

Fee Description

### Office of Management & Finance

#### Fee

Tenant Rental Application Charge [One Time]

#### Fee Description

Fees charged to entities wishing to lease City-owned property managed by OMF.

#### Service Benefit

Allow entities to apply to lease space owned by the City.

#### Fee Category and Rate Formulation

Public Service – The rates have remained unchanged since being introduced a few years ago and were originally based upon fees charged by private entities for comparable application review.

#### Economic Impact of New or Expanded Fees

Revenue generated by the fee helps to offset a portion of OMF's employees' time reviewing the Tenant Rental Application for approval.

#### The impact of imposing or increasing fees on economically at-risk populations and on businesses

N/A

#### The overall achievement of City goals

The fee supports the City goal of endorsing economic vitality and opportunity by allowing entities to apply to lease City-owned property.

#### Fee Detail

Fee Title/Description	Category	Unit or Period Fee applied to	Current fee
Tenant Rental Application Fees	Partial Cost Recovery/Public Service	One Time Fee, non-refundable	\$250.00

#### Subsidized Service Data

N/A

#### Recommended Actions

None

**Office of Management & Finance**  
 FY 2019-20 Fee Study  
 Fee Description  
 Bureau of Technology – Printing & Distribution

**Fee**

Public Copy, Print, Microfilm, and Large Format Reproduction Services

**Fee Description**

Printing & Distribution (P&D) is charged with managing all copy, print, mail, distribution, and copier services required by City agencies. It is the division's responsibility to ensure City bureaus and all local government customers receive reproduction and mailing services on time, at a quality level which is appropriate to the customers' needs, and at a competitive price.

**Service Benefit**

The fees charged by P&D provide convenient 'while you wait' services to customers who require immediate service at the 1900 Building.

**Fee Category and Rate Formulation**

Public Service - This service is provided for the convenience of the public. The rate and pricing is comparable to commercial alternatives. The pricing difference between internal and external customers is due to external customers' requests, which are based on shorter run lengths and faster turn-around times.

**Economic Impact of New or Expanded Fees**

New or expanded fees are unlikely.

**Impact of Imposing or Increasing Fees on Economically At-Risk Populations and on Businesses**

As a general rule, fees are never increased beyond inflation. To do so would risk having current users withdraw from the service and find other more economical means of acquiring the needed products.

**Overall Achievement of City Goals**

This fee helps the City meet its goal to "Deliver efficient, effective, and accountable municipal services."

**Fee Detail**

Fee Title/Description	Service Type (to roll-up fees under grouped Services)	Fee Basis (Unit/Period)	Current or Proposed Fee
Copier Services - 1900 Bldg - 11" copies (F155)	Public Service	Copy	\$ 0.15
Copier Services - 1900 Bldg - 14" copies (F156)	Public Service	Copy	\$ 0.20
Copier Services - 1900 Bldg - 17" copies (F157)	Public Service	Copy	\$ 0.25
Copier Services - 1900 Bldg – Color 8.5 x 11 (F311)	Public Service	Copy	\$ 0.35
Copier Services - 1900 Bldg – Color 8.5 x 17 (F317)	Public Service	Copy	\$ 0.70
Copier Services - 1900 Bldg – Print from File (F321)	Public Service	Copy	\$ 3.00
Copier Services - 1900 Bldg – Microfilm Print (F147)	Public Service	Copy	\$ 3.50
Copier Services - 1900 Bldg - Large format file set up (F140)	Public Service	Set Up	\$ 4.50
Copier Services - 1900 Bldg - Large format B/W prints (F141)	Public Service	Copy	\$ 0.15
Copier Services - 1900 Bldg – Emailing PDF's (F170)	Public Service	Set Up	\$ 0.30
Copier Services - 1900 Bldg - Microfiche prints (F147)	Public Service	Copy	\$ 3.50
Copier Services - 1900 Bldg - Long run fiche prints (F148)	Public Service	Copy	\$ 2.00
Copier Services – 1900 Bldg – Fax (F136)	Public Service	Sheet	\$1.00

Copier Services - 1900 Bldg - Extra Services if needed (hourly)	Public Service	Minute	\$94.65
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**Subsidized Service Data**

N/A

**Recommended Actions**

None

## Office of Management & Finance

FY 2019-20 Fee Study

Fee Description

### Bureau of Technology Services

#### Fee

800 MHz Access Fee

FY 2019-20

#### Fee Description

Fee charged to radio users for access to the City of Portland's 800 MHz radio system.

#### Service Benefit

Allows radio users to communicate with each other in the City of Portland and surrounding areas.

#### Fee Category and Rate Formulation

Internal Service Fund Rate is completed on an annual basis each December and the new rate is generally the prior year's rate plus inflation, applied on a per-unit basis to all units on the 800 MHz system.

#### Economic Impact of New or Expanded Fees

Any increase in revenues would be applied towards major maintenance projects for the 800 MHz system and/or to cover increased operating expenses for the upgraded system.

**The impact of imposing or increasing fees on economically at-risk populations and on businesses** The general rule is to not increase fees beyond inflation so as not to risk having current users withdraw from the system and find other more economical means of communicating. On the rare occasion where the fee increase does exceed inflation, it's the result of a material increase in operating expenses from the system's major service provider(s).

#### The overall achievement of City goals

This fee supports the 800 MHz radio system which helps the City achieve its goals of "Ensuring a safe and peaceful community," and "Deliver efficient, effective, and accountable municipal services."

#### Fee Detail

Fee Title/Description	Category	Unit or Period Fee applied to	Current or proposed
Access Fee	Internal Service Fund	Annual	fee \$529.29

#### Subsidized Service Data

N/A

#### Recommended Actions

None

## Office of Management & Finance

FY 2019-20 Fee Study

Fee Description

### Bureau of Revenue and Financial Services - Revenue Division

#### Fee

Regulated Business Permitting Program Fees

#### Fee Description

The Amusement Location permit, Secondhand Dealer permit, Social Games permit, Payday Lender permit, and Pay and Park Lot registration programs provide regulations designed to provide monitoring of businesses that present potential neighborhood impacts, require coordination with various Police Bureau activities, or negatively impact residents or visitors to the City of Portland. Each program includes permit or registration fees that fund ongoing oversight, monitoring, and complaint resolution of regulated businesses. Penalty fees are assessed for code violations to incent future compliance with City Code requirements.

#### Service Benefit

Negative impacts of particular businesses are limited by City regulation. In coordination with the Portland Police Bureau, regulated businesses are required to comply with reporting, documentation, and operating standards, which are reviewed during periodic inspections.

Amusement location permits are required for businesses with pool tables, video games, pinball machines, etc., as businesses with these amusement devices have been shown to have potential for adverse neighborhood impacts. Permitting requirements manage neighborhood impacts by preventing pool halls from locating too close to schools or providing additional inspection and enforcement opportunities when locations develop problems with noise or disorderly conduct.

The Secondhand Dealer program provides guidelines and requirements for receiving, managing, and reporting of secondhand property acquisitions. This in turn reduces the likelihood of a Portland store being used as an outlet for stolen property. The program's reporting requirements can help facilitate the return of stolen property if identified. All acquisitions must be reported to the Police Bureau through an electronic reporting system. Staff provides assistance with site inspections, reporting, and documentation. Store owner, manager, and employee background checks are reviewed. Staff provides outreach to new businesses and assists with the documentation and investigation of complaints.

The Social Games program allows for operation of certain games, most commonly poker games. Staff monitor compliance with restrictions of the City Code and state law. Background checks of owners, managers, and employees of the regulated business are required. Staff assist with inspection of businesses and investigate complaints. The program provides information to the Police Bureau regarding the locations of regulated gaming businesses and facilitates ease of inspection. Players prefer permitted and well-managed locations and provide information about violations.

The Payday Lender program provides standards for this regulated industry to ensure consumer protections for some of our more vulnerable resident populations. Staff provide complaint-driven inspection and audit services on behalf of Portland and two other Metro area cities.

Pay and Park Lot regulations allow private property owners to minimize unauthorized parking while avoiding the more costly and inconvenient consequence of vehicle towing and impound. Pay and Park Lots are monitored for compliance with notification and lot signage requirements. Staff review citizen complaints, including documentation by business of unauthorized parking, and make determinations as a result of review. Staff assist with refund or cancellation of improperly imposed parking penalties assessed by the business.

City regulation of these businesses helps ensure that public safety and convenience are protected while allowing businesses to effectively operate.

**Fee Category and Rate Formulation**

Cost Recovery and Compliance Penalty - Annual permit fees are charged to fund City program services; penalty fees provide disincentives against violations and contribute to cost recovery for complaint investigation. Amusement Device fees range from \$50 to \$1000 annually, depending upon the number of devices present. Secondhand Dealer permits are either \$100/\$500 for the initial permit, or \$50/\$450 for annual renewals; “occasional” permits for businesses with very limited annual transactions are offered at the lower rates. Penalties are up to \$500 per violation. Social Games permit fees are \$500 per year; penalties are up to \$500 per violation. Pay and Park Lot permits are \$200 annually, with penalties up to \$500 per violation. Payday Lender permits are \$1,500 annually.

**Economic Impact of New or Expanded Fees**

Permit fee impacts are reasonable given the revenue potential in these regulated businesses. Amusement Device fees need to be updated since they haven’t changed since the 1990s; Secondhand Dealer fees were updated in 2012. Social Games fees were last updated in 2014. Pay and Park Lot permit fees haven’t changed since 2008 and should increase due to the volume of complaints and staff time involved in their resolution.

**The impact of imposing or increasing fees on economically at-risk populations and on businesses.**

Low annual fee in comparison to revenues generated by regulated business activity; low impact on business.

**The overall achievement of City goals.**

Regulated business permitting, and monitoring programs help prevent negative neighborhood impacts, and support Portland Police Bureau monitoring of certain business. Complaint investigations and penalties help provide disincentives to violation of City code requirements. Public safety and consumer protections are enhanced by these programs.

**Fee Detail**

Fee Title/Description	Service Type (to roll-up fees under grouped Services)	Category	Unit or Period Fee applied to	Current or proposed fee*
Secondhand Upgrade "Occasional" to "Regular" 1st year	Regulatory - Regulated Business Fees	Cost Recovery	Per upgrade	\$ 400.00
Amusement Device Renewals	Regulatory - Regulated Business Fees	Cost Recovery	Annual	Range: \$125 to \$1,000 *

Secondhand Dealer Penalty	Regulatory - Regulated Business Fees	Compliance Penalty	Per violation	Up to \$500.00
Pay and Park Lot Registration	Regulatory – Regulated Business Fees	Cost Recovery	Annual	Range: \$250 to \$500*
Pay and Park Civil Penalty	Regulatory – Regulated Business Fees	Compliance Penalty	Per violation	Up to \$500.00
Payday Lender Permit Fee	Regulatory - Regulated Business Fees	Cost Recovery	Annual	\$ 1,500.00
Secondhand Dealer Initial Application "Occasional"	Regulatory - Regulated Business Fees	Cost Recovery	Per application	\$ 100.00
Secondhand Dealer Renewal "Occasional"	Regulatory - Regulated Business Fees	Cost Recovery	Annual	\$ 100.00*
Secondhand Dealer Initial Application "Regular"	Regulatory - Regulated Business Fees	Cost Recovery	Per application	\$ 500.00
Secondhand Dealer Renewal "Regular"	Regulatory - Regulated Business Fees	Cost Recovery	Annual	\$ 450.00
Social Games Initial Permit Application	Regulatory - Regulated Business Fees	Cost Recovery	Per application	\$ 1500.00
Social Games Permit Renewal	Regulatory - Regulated Business Fees	Cost Recovery	Annual	\$ 1500.00
Social Games Penalty	Regulatory - Regulated Business Fees	Compliance Penalty	Per violation	Range: Up to \$500
Amusement Device New Application L1 (1-3 devices)	Regulatory - Regulated Business Fees	Cost Recovery	Per application	Combined with L2 *
Amusement Device New Application L2 (4-6 devices)	Regulatory - Regulated Business Fees	Cost Recovery	Per application	\$ 125.00*
Amusement Device New Application L3 (7-9 devices)	Regulatory - Regulated Business Fees	Cost Recovery	Per application	\$ 250.00*
Amusement Device New Application L4 (10-19 devices)	Regulatory - Regulated Business Fees	Cost Recovery	Per application	\$ 500.00
Amusement Device New Application L5 (20+ devices)	Regulatory - Regulated Business Fees	Cost Recovery	Per application	\$ 1,000.00

### Subsidized Service Data

No subsidy. Full program cost recovery.

### Recommended Actions

Social Games permit fees are still due for evaluation, however an expected decision by the Oregon Court of Appeals by spring of 2019, may have ramifications on Social Gaming throughout the state. At this point, Portland City Code may need to be updated. New policy, indirect costs, and stakeholder impacts will be incorporated into the analysis of appropriate fee levels in this program.

Amusement permit fees have not increased since the 1990s. Revenue recommends combining the first two levels of permit into one and raising the fee to \$125 for 1-6 devices. Based on the current number of permits, that change would affect 150 locations and increase revenue by \$11,250. The next level, currently L-3 (7-9 devices), would increase to \$250. This increase would likely result in conjunction with a Code update as the fee is written into City Code.

The registration fee for a pay and park facility was doubled in 2008 to the current amount of \$200. Categorizing the lots by number of spaces and collecting an annual fee based on lot size will be analyzed and a recommended new tiered fee structure developed. This new tiered structure would

align better with the number of complaints generated, better matching the workload required for investigation and complaint resolution. Indirect costs, and stakeholder impacts will also be incorporated into the analysis of appropriate fee levels in this program.

# City of Portland Office of Management and Finance Internal Service Rate Study 2018



Prepared by



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## EXECUTIVE SUMMARY

The City of Portland, Oregon's Office of Management and Finance (OMF) is responsible for the management of the finances and accounting of the City of Portland. This responsibility includes the prudent setting of rates for the provision of interagency services so that the City may be good stewards of the taxes and financial contributions of the citizens of Portland. City policy states that 'business service activities that recover costs through rates and interagency agreements will periodically compare the cost of their fees and rates with other comparable agencies and/or businesses, and report these findings to their customers.

Based on this charge, OMF conducts a rate study every three years to assess the rates it charges for services, to be provided to the City Council and the City Budget Office in the Requested Budget submission. This 2018 study is a follow-up to a similar study completed in 2015 by Synergy Resources Group (SRG), and encompasses four categories across OMF's departments: Fleet, Facilities Services, Printing & Distribution, and Technology Services. SRG researched both public and private entities in order to ensure that rates—managed through Internal Service Funds in the City of Portland—were reasonable and calculated based on actual costs of services.

Prior to initiating any type of comparison between entities, SRG determined that guidelines for comparison must be established, so as to appropriately and accurately form recommendations. In comparing both public and private entities, SRG noted that in order to have a direct, one-to-one, "Apples to Apples" comparison, both the entities methodologies and rates had to be comparable. However, when the City's rates, cost elements and methodologies were similar to the private sector rates without knowing private sector cost elements and methodologies a valid comparison can exist. An "Apples to Oranges" comparison is when the cost elements and/or methodologies are not readily comparable, resulting in an invalid comparison.

In 2015, it was difficult to identify cities that use internal service funds to participate in the study; therefore in 2018, SRG performed extensive research to identify cities that used internal service funds, had similar populations and were willing to work with SRG to share rates and methodology. It is difficult to compare rates with the public sector due to different ways of providing and managing the services studied. SRG excluded a number of cities from the study before landing on the final list: Charlotte, NC; Fresno, CA; Austin, TX; Indianapolis, IN; Minneapolis, MN; Columbus, OH, Omaha, NE; Baltimore, MD; San Francisco, CA and Boston, MA. In the end, Austin, Minneapolis, Baltimore, San Francisco and Boston did not participate.

In addition to private sector and city surveys, an array of area studies, rate surveys, and individual relationships to obtain average rates for the categories were reviewed and accounted for in the study.

Within the public and private data collection, the study revealed that the City is cost competitive with the private and public sectors for rates that were determined to be comparable.

No changes were recommended to the selected IA rates and rate methodologies. However, the City should consider a percentage fee for Facilities Property Management as well as different rates for different skill level Fleet technicians to perform services such as changing oil and filters.

**FLEET RATE RECOMMENDATIONS:**

- City should consider different rates for different skill level technicians to perform services such as changing oil and filters.

**FACILITIES SERVICES RATE RECOMMENDATIONS:**

- City should consider percentage fee method for Property Management if customers are in favor.
- City consider percentage fee method for Project Management if customers are in favor.

**PRINTING & DISTRIBUTION RATE RECOMMENDATIONS:**

- No change to the P&D's rate methodologies.

**TECHNOLOGY SERVICES RATE RECOMMENDATIONS:**

- No change to BTS rate methodologies.

# INTRODUCTION & BACKGROUND

The City of Portland, Office of Management and Finance (OMF) consists of the Bureau of Human Resources, Bureau of Technology Services, Bureau of Revenue and Financial Services, Office of the Chief Administrative Officer, and Citywide Projects. This report is the result of OMF's request for an independent review in addition to recommendations regarding rates charged to internal customers for services provided by business units within OMF, with "rates" encompassing the total cost of providing a given service.

SRG led a multi-faceted study of rates charged by OMF and by comparable public and private business entities. Four categories of services—Fleet, Facilities Services, Printing and Distribution, and Technology Services—were studied with multiple varieties of rates within each for public and private entities. These particular categories and rates were selected for both their representation of OMF's services as well as their easy translation within the study to comparable external private sector services.

In 2015, SRG found many cities using cost allocations models to recover internal service costs. Therefore, in this year's study, SRG performed extensive research to identify cities using internal service funds. Overall, SRG found that most use cost allocation models and those that use internal service funds have discontinued them or established a hybrid. When asked why they use the allocation model, the responses ranged from: "It makes submitting federal grant documentation more easily accepted," to "It is more transparent," to "There isn't that much difference among the approaches." Some cities are using a combination of cost allocation and internal service fund. SRG believes that software products designed to perform cost allocations are playing a significant role in driving this change.

In the 2015 study, cities researched included: Charlotte, NC; Seattle, WA; Kansas City, MO; Cincinnati, OH; Sacramento, CA; Denver, CO and Phoenix, AZ.

In this 2018 study, SRG performed extensive research to identify cities that used internal service funds, had similar populations and were willing to work with SRG to share rates and methodology. SRG excluded a number of cities from the study before landing on the final list of: Charlotte, NC; Fresno, CA; Austin, TX; Indianapolis, IN; Minneapolis, MN and Columbus, OH. After no response from Austin and no follow up as promised by Minneapolis, SRG selected four more cities of comparable size to Portland, which included: Omaha, NE; Baltimore, MD; San Francisco, CA and Boston, MA. SRG was also able to obtain Motor Pool rates from Seattle, WA for a regional comparison.

Encouragingly, an array of area studies, rate surveys, and individual relationships to obtain average rates for the categories were able to be reviewed and accounted for in the study. Market surveys were particularly helpful in aiding the phone calls to private sector entities, who often declined to provide a quote unless a baseline was mentioned.

The City's analysis of this completed rate study will be used to determine a number of impacts:

- The degree to which a particular service provides benefit to the entities using them
- The economic impact of new or expanded rates, in comparison to private sector entities but especially in comparison with other similarly-sized City governments and others in the metropolitan area
- The comprehensive cost of providing a service, including all associated rates and processing
- The impact of increasing rates on economically at-risk populations and/or businesses
- How these rates contribute to overall City goals

This report documents SRG's comparison of rates charged for services provided by business units within OMF to similar private and other public sector entities across the United States, and its provision of recommendations based on the analysis of its findings.

# INTERNAL SERVICE PROVIDERS & SELECTED RATES

## FLEET RATES

- Fleet Rate Scenario
  - Based on 4 hours of technician time and \$500 in parts
- Technician/Mechanic Hourly Rate (Labor Rate)
- Parts Markup Rate
- Shop Consumables Rate
- Motor Pool Scenario
  - Based on an individual renting a sedan for 1 day driving 30 miles
- Motor Pool Rate

## FACILITIES SERVICES RATES

- 1900 Building (Class A) Office Space Rate
- Portland Building (Class B) Office Space Rate
- Property Management Hourly Rate
- Project Management Hourly Rate
- Maintenance Technician Hourly Rate

## PRINTING & DISTRIBUTION RATES

- Printing Rate Scenario
  - Based on a copier in a bureau's space for 1 month, making 1,000 black & white copies
- Copy Center Black & White Rate
- Copy Center Color Rate
- Production Staff Hourly Rate

## TECHNOLOGY SERVICES RATES

- Trunked Radio Scenario
  - Based on 10 portable radios and 5 mobile radios for 1 month
- Trunked Radio Access Rate
- Business Solutions Hourly Rate
- Support Center Hourly Rate
- Project Management Hourly Rate
- Radio Shop Hourly Rate

**Note:** Each of the IA providers includes a mark-up percentage for recovering the cost of General Fund overhead (GFOH), a citywide allocation of the costs of general government (council, auditors, budget, etc). This mark-up is shown in addition to the IA providers' rates in the report's tables.

## PROJECT GOALS

SRG had several specified goals for this rate study:

**Analyze the method which the City used to select rates and compare with similar public sector organizations and private sector service providers.** Rather than only comparing rates dollar for dollar, attention was given to the method with which the rates were calculated and selected when provided by the public sector.

**Document recommendations about whether, and why, individual rates can or cannot be compared, and recommend any changes to the list of rates to compare.** After analyzing the methodology, SRG made recommendations as to whether or not weight should be given to specific public and/or private sector rates due to a variety of factors being of unequal weight. These comparisons are listed in the subsequent 'Guidelines for Comparison' section.

**For those rates selected for comparison, identify up to five appropriate entities for comparisons. Compare rates, documenting contacts, methodologies, assumptions and reasons for significant variances.** Specific details and contacts are provided for similar City governments that were contacted, as well as the departments within them. Special codes were used to protect private sector contacts and entities.

**Ensure that services studied are similar and that methods of calculating rates can be readily compared; e.g., the hourly rate of a fleet mechanic should be compared with an organization that provides a similar service and recovery costs in a similar manner.** Care was given to specify similar entities within the public sector study portion, as well as to specify the exact type of services needed in the private sector study portion. SRG aimed to obtain rates from at least three private sector entities in order to provide a minimum of comparable data.

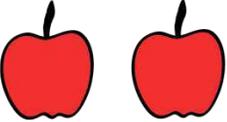
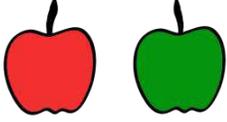
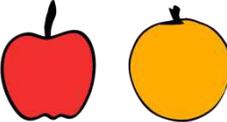
**Establish a guideline to compare data collected from the public and private sectors with the City's rate.** This guideline is listed in the subsequent 'Guidelines for Comparison' section and provides a reference point for analyzing data in a three-tiered, easy-to-comprehend coded form.

**Develop a comprehensive Rate Study report with findings and recommendations to present to OMF.** The following content represents this Rate Study report.

## GUIDELINES FOR COMPARISON

In order to compare rates for the purposes of this study, SRG needed to develop and define the criteria which it was comparing. Comparisons between public sector entities and private sector entities are often not directly translatable due to a number of variances. Therefore, SRG has developed three categories for comparisons to outline these variances and provide a visual guideline for weighing the significance of the data when making recommendations, which will be referenced throughout the report.

This guideline leans on the phrase “comparing Apples to Apples,” which refers to comparing things that can reasonably be compared due to their conditions and quality, while the phrase “comparing Apples to Oranges” is used to represent a comparison that is either not comparable or perhaps impossible to compare.

<p>We note an <b>Apples to Apples</b> comparison when the City’s rate methodology and cost elements can be easily compared to private sector and/or public sector methodology <i>and</i> cost elements.</p>	
<p>We note a <b>Red Apples to Green Apples</b> comparison when the City’s rate methodologies and cost elements are similar to the rates or within the range of public sector and/or private sector rates. However the private sector rates are influenced by the market and comparing the City’s rates with the private sector is a valid cost comparison.</p>	
<p>We note an <b>Apples to Oranges</b> comparison when the cost elements and/or methodologies are not readily comparable. This type of comparison applies when the City’s rate methodology and cost elements are known; but both private sector methodologies <i>and</i> cost elements are largely unknown, or if they are known and different in terms of cost elements and methodology. Without information on either private sector component, the comparison is not a valid cost of services comparison. However, the private sector rates may be used to compare total cost of providing a service with the City.</p>	

In some cases there may be no comparison possible.

## PRIVATE SECTOR COMPARISON METHODOLOGY

SRG selected businesses that are located in the Portland Metro region. Private sector businesses are member of their local and statewide trade organizations; business organizations such as Chamber of Commerce and/or known to SRG through a variety local community relationships. In researching and interviewing private sector entities to compare to public sector entity OMF, SRG ascertained a number of conditions that significantly affected the comparison and created the variables that are detailed in this report.

Generally speaking, comparing public sector businesses with private sector businesses is generally an “Apples to Oranges comparison” due to the fact that in most cases there isn’t methodology information available to make a valid comparison. However, comparisons between the private and public sector on the whole inform the City and its customers about how their rates compare in the Portland market and thus private sector rates are included in this report with a number of caveats listed below:

Private sector rates are not accompanied with methodology used to determined rates, due to the methods with which the information was obtained—for example, most of the private sector businesses were not aware they were participating in the study, as questions were asked about rates from the perspective of a prospective customer.

Private sector competitiveness in the marketplace, as opposed to controlled and deliberate public sector internal cost of services rate methodology, is what drives private sector rate adjustments. Therefore, this causes them to fluctuate frequently and complicates further the comparison between rates. The word “negotiable” was heard most often in data collection conversations surrounding City Facilities Services as well as Printing & Distribution and Technology Services.

Given the fluctuation due to market competitiveness, private rates are negotiable, thereby creating a market/cost range which may or may not be different six months from now. Moreover, many private sector businesses do not want to publicize their company rates due to competition (SRG heard this on a consistent basis).

Service levels as well as costs also vary widely in the private sector. The degree of service levels offered to consumers varies significantly depending on the service itself as well as the consumers purchasing the service. Costs associated with each service level—particularly with labor—vary, and overhead costs vary more widely depending on a number of factors.

SRG heard the word “variables” mentioned frequently in labor and overhead cost areas.

## PRIVATE SECTOR ENTITY CONTACTS

In order to preserve the privacy of the private sector entities that provided the data for the rates comparison, SRG developed a coding system for the purposes of this report. The types of private sector businesses contacted for each rate in four categories are listed below. For example for Facilities, SRG used FAC -1, FAC-2 etc. to distinguish the different businesses.

### FLEET SERVICES

- Auto Repair Shops
- Auto Rental Offices
- Car Sharing Offices
- Trade Association

### PRINTING & DISTRIBUTION

- Copy Centers
- Printing Associations
- Graphic Design Offices
- Law Offices

### FACILITIES SERVICES

- Commercial Real Estate Companies
- Property Management Companies
- Construction Management Companies
- Plumbers
- Electricians
- Law Offices
- Consultancies

### TECHNOLOGY SERVICES

- IT Consulting Firms
- Telecommunications Equipment Suppliers
- Wireless Phone Service Companies
- Network Solutions Companies
- Web Hosting Companies
- Tower Communications Service Companies

## EXPLANATION

In most cases, while interviewing private sector entities, SRG described that they were a private citizen or a business in need of a service or product. This rationale was used in order to obtain a price just as a regular private sector customer would, so as to not skew the results by mentioning a City survey. In some cases, SRG knew the private sector business personally, and therefore was able to reveal that the rate information was for a study being conducted by the City. Overall, SRG found most businesses unwilling to provide a quote or estimate over the phone—in these cases, a sample rate was offered and the business was asked if their rate was comparable.

# PRIVATE SECTOR RATE COMPARISON: FLEET

Overall, within the City, Fleet operates most like a business, and therefore Fleet rates are much easier to compare to the private sector.

Since the 2015 study, there has been no change in the City’s Fleet Rate Methodology.

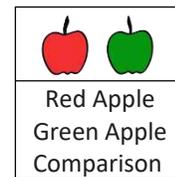
## FLEET RATE SCENARIO

Comparing rates using a scenario is more realistic and offered a basis for comparison. The City selected the following scenario to compare Fleet Rates: *Vehicle repair that requires 4 hours of technician time and \$500 in parts. The total bill will reflect the technician labor hours; parts and markup plus and shop consumables.*

<b>CITY / BUSINESS</b>	<b>4 HOURS LABOR (\$)</b>	<b>PARTS + MARKUP (\$)</b>	<b>SHOP CONSUMABLES (\$)</b>	<b>TOTAL BILL (\$)</b>
City Hourly Rate	494.80	619.60	6.68	1,211.08
F-1	460.00	1,125.00	4.60	1,589.60
F-2 – Mechanical	480.00	750.00	8.00	1,238.00
F-3 – work is based on type of service. Does not use an hourly rate.		700.00		
F-4	498.00	520.00	19.92	1,037.92
NATA Metro Area Reports – Average	450.00	900.00	1.82	1,351.82

### COMMENTS

- F-3 does have a parts markup rate and was used to calculate the parts only.
- Total service bill ranges from \$1,037 to \$1,589. The City’s rate is the second to the lowest in the range.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



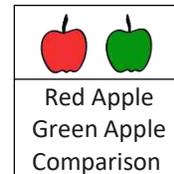
## FLEET LABOR RATE

The following table compares the City’s fleet hourly labor rate with auto repair facilities in the Metro area.

TABLE 1.2 — LABOR HOURLY RATE			
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)
City Hourly Rate	118.94	4.00	123.70
F-1			115.00
F-2 – Mechanical			120.00
** Diagnostic			150.00
F-3 – Work is based on service performed not hourly rate			N/A
F-4			124.50
NATA Metro Area Reports – Average			112.50

### COMMENTS

- Northwest Automotive Trades Association (NATA) performs an annual shop rate study. SRG used the average of the labor rates in the Metro Area. Rates ranged from \$75 to \$158.
- In the comparison above, the rates range from \$115-\$150 in the metro area and the City’s rate of \$123.70 is mid-range.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- City should consider different rates for different skill level technicians to perform services such as changing oil and filters.

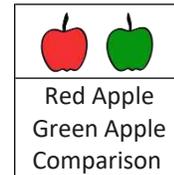
## PARTS MARKUP RATE

In this comparison table, SRG has compared the City’s markup rate with auto repair facilities in the Metro area. A markup rate is added to the cost of the part to recover overhead costs the shop incurred to shop, order and pick up the part.

TABLE 1.3 — PARTS MARKUP			
CITY / BUSINESS	BASE (%)	GFOH (%)	RATE %
City Markup	23.00	4.00	23.92
F-1			125.00-135.00
F-2			50.00-55.00
F-3			40.00-50.00
F-4			4.00
NATA Metro Area Survey			80.00

### COMMENTS

- F2, F3 and F4 were reticent and/or defensive about markup rates until presented with an 80% industry average for markups.
- All repair facilities contacted have a different parts mark up for new vs. used parts. The markups in this study are on new parts.
- Rates range from 4%-135% markup in the metro area. The City’s rate is the second to the lowest in the range.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s parts markup rate.

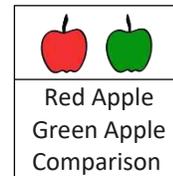
## SHOP CONSUMABLES RATE

In this comparison table, SRG has compared the City’s shop consumables rate with auto repair facilities in the Metro area. A shop consumables rate is added to the total labor cost to recover cost to dispose of vehicle fluids and clean up supplies.

TABLE 1.4 — SHOP CONSUMABLES				
CITY / BUSINESS	BASE (%)	GFOH (%)	RATE	FEE/CAP (\$)
City Rate	1.30	4.00	1.35%	
F-1			1.00%	
F-2 – Flat rate			\$8.00	
F-3			5.00%	34.00
F-4			4.00%	
NATA Metro Area Report				
Flat Fee				11.83
% of Labor			4.56%	
Cap				33.00

### COMMENTS

- Rates range from 1.3%-5% with the City’s rate on the low end.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s shop consumable rate.

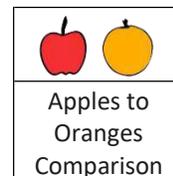
## MOTOR POOL RATE SCENARIO

Comparing rates using a scenario is more realistic and offered a basis for comparison. The City selected the following scenario to compare Motor Pool Rates: *An individual rents a sedan for 1 day driving 30 miles.*

TABLE 1.5 — MOTOR POOL RATE SCENARIO					
CITY / BUSINESS	HOURLY (\$)	DAILY (\$)	INCLUDED W/RATE	ADDITIONAL COSTS	TOTAL BILL
City Rate	8.25	37.25	Gas and insurance		\$37.25
F-5	19.00 per hr 29.00 – 2 hr 55.00 – 4 hr 15.75 Average	79.00	Parking Insurance Fuel	\$5.00 signup fee \$1.00 per trip driver protection	1st time – \$85.00 After – \$80.00
F-6	11.00 – hr	74.00	Up to 180 miles/day (.45mi after) Gas Insurance	\$25.00 signup fee	1st time – \$99.00 After – \$74.00
F-7		74.34- 80.19	Unlimited mileage	Taxes \$10.80/\$11.75 License recovery fee and energy surcharge \$2.50-\$3.00	\$85.10
F-8		57.86 70.00	Unlimited mileage	Taxes 17% Vehicle license recovery (.81 set)	\$67.59

### COMMENTS

- F-5 and F-6 are care share companies which were also included in the 2015 study.
- The City’s rate is the lowest in the range.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s motor pool rate.

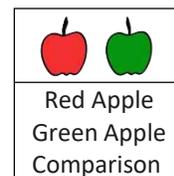
## MOTOR POOL RATE COMPARISON

In the following rate comparison table the City’s hourly and daily rates are compared to the private sector. Rates are based on a variety of time frames, scenarios and types of vehicles.

TABLE 1.6 — MOTOR POOL						
CITY / BUSINESS	BASE (\$)	GFOH (%)	HOURLY (\$)	DAILY (\$)	INCLUDED W/RATE	ADDITIONAL COSTS
City Rate	7.93	4.00	8.25	37.25	Gas and insurance	
F-5			19.00 – 1 hr 29.00 – 2 hr 55.00 – 4 hr 15.75 Average	79.00	Parking Insurance Fuel	\$5.00 signup fee \$1.00 per trip driver protection
F-6			11.00 – per hr	74.00	Up to 180 miles/day (.45mi after) Gas Insurance	\$25.00 signup fee
F-7				74.34	Unlimited mileage	Taxes \$10.80/\$11.75 License recovery fee and energy surcharge \$2.50-\$3.00
F-8				57.86	Unlimited mileage	Taxes 17% Vehicle license recovery (.81 set)

### COMMENTS

- F7 and F8 are based on non-airport locations.
- F7’s daily rate can be discounted if customer is willing to pay up front.
- The City is on the low end of the daily rate range of \$37-\$79.
- The City is also on the low end of the hourly rate range of \$8.25 – \$19
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s motor pool rates.

# PRIVATE SECTOR RATE COMPARISON: FACILITIES

SRG compared rates for two different types of city buildings, comparing the City’s square foot rate with the private sector. The private sector’s rate includes a level of profit to cover debt service. Capital improvements are not included in the rate. In the private sector, they describe facilities based on age and the condition of the building (e.g Class A, Class B). Rates are also influenced by the market and subject to negotiation.

SRG turned to several Portland market analysis reports (Colliers, Norris Stevens and Jones Lang La Salle) to gather facility square foot rates. The various studies and market analysis reports verify the market-driven cost factors, such as available rental space in the community. In addition, SRG worked with a number of commercial real-estate firms that specialize in leasing space throughout the region to gather square foot rates.

Since the 2015 study, there has been no change in Facilities Rate Methodology.

## CLASS A OFFICE SPACE RATE

Based on a space rental rate that is a per-square-foot rate charged to bureaus for the space used in a building of approximately 140,000 square feet, such as the 1900 Building the City occupies.

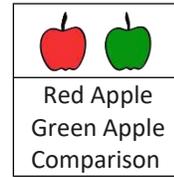
A sample building SRG used for comparison is the CH2M Hill Building at 2020 SW 4<sup>th</sup> Avenue in Portland, OR (*pictured right*).



TABLE 2.1 — CLASS A OFFICE SPACE (1900 BUILDING)				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)	NOTES
City Square Ft Rate	20.18	5.00	21.19	No longer includes debt service
FAC-1			33.00	Includes Taxes, Ins. & Main/Op
FAC-2			38.00	Includes Taxes, Ins. & Main/Op
FAC-3			36.00-41.00	Includes Taxes, Ins. & Main/Op
Colliers Int’l Market Report			35.75	Includes Taxes, Ins. & Main/Op
Jones Lang LaSalle Report			35.24-39.33	Includes Taxes, Ins. & Main/Op
Norris Stevens Market Report			30.11	Includes Taxes, Ins. & Main/Op

**COMMENTS**

- The City’s rates no longer includes debt service.
- Square foot rates from \$21.19-\$40.00, with the City’s rate the lowest.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



**RECOMMENDATION**

- No change to the City’s square foot rate.

**CLASS B OFFICE SPACE RATE**

Based on a space rental rate that is a per-square-foot rate charged to bureaus for the space used in a building of approximately 300,000 square feet, such as the Portland Building the City occupies.

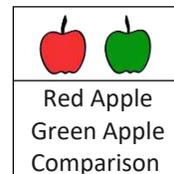
A sample building SRG used for comparison is the Pacific Building at 801 SW 5<sup>th</sup> Avenue in Portland, OR (*pictured right*).



TABLE 2.2 — CLASS B OFFICE SPACE (PORTLAND BUILDING)				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)	NOTES
City Square Ft Rate	18.36	5.00%	19.28	No longer includes debt service
FAC-1			29.00	Includes Taxes, Ins. & Main/Op
FAC-2			25.00-28.00	Includes Taxes, Ins. & Main/Op
FAC-3			28.00-34.00	Includes Taxes, Ins. & Main/Op
Colliers Int’l Market Report			30.27	Includes Taxes, Ins. & Main/Op
Jones Lang LaSalle Report			27.87-33.64	Includes Taxes, Ins. & Main/Op
Norris Stevens Market Report			22.27	Includes Taxes, Ins. & Main/Op

**COMMENTS**

- Square foot rates in the Portland range from \$19.28-\$34.00, with the City’s rate the lowest.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



**RECOMMENDATION**

- No change to the City’s square foot rate.

## PROPERTY MANAGEMENT HOURLY RATE

In the following comparison table, the City’s property management rate was compared with private sector rates. The City’s property management rate covers a wide variety of services where as in the private sector it varies. Rates for personnel managing facilities properties by the hour or percentage of rental fees collected.

TABLE 2.3 — PROPERTY MANAGEMENT HOURLY RATE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE	NOTES
City Hourly Rate	\$136.72	5.00%	\$143.56	
FAC-1			1.75%-2.25%	Rate is based on 120K sq ft. building downtown with rents ranging from \$33.00-36.00 per sq ft.
FAC-2			2.75% Minimum \$1,750.00 per month	Rate is based on a percentage of the rental fees collected on the building.
FAC-3			1.30%	Rate is based on percentage of rental fees collected on the building.
FAC-4			8.00%	Rate is based on percentage of rental fees collected on the building

### COMMENTS

- SRG identified a trend in how property management companies are charging for services that is different than in the 2015 study: Every vendor that was contacted charges a percentage of the rental fees collected. With the construction boom in Portland and the increased rental fees, the private sector may be using the new methodology to capitalize on the boom.
- FAC 1, FAC 2, FAC 3 and FAC 4’s rates are based on a percentage of the rental fees collected on the building. Their rates do not include negotiating leases or renewals.
- FAC 2’s rate to include negotiating new leases would be approximately 7.5% of the total term of the lease and 3.75% for a renewal. Negotiating leases is usually performed by the commercial real estate brokers, not property managers.
- FAC 3’s rate does not include securing tenants or negotiating new or renewal leases.
- FAC 4 stressed that the rate was approximate, and they would need to perform a site visit to give an appropriate estimate.
- Due to rates based on percentage of rental fees collected and negotiations outside of property mgmt., comparison not valid



### RECOMMENDATION

- City consider percentage fee method if customers are in favor.

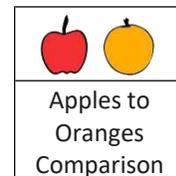
## PROJECT MANAGEMENT HOURLY RATE

In this table the City’s Property Management rates have been compared to the private sector. Rates are for the management of special projects related to facilities.

TABLE 2.4 — PROJECT MANAGEMENT HOURLY RATE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE	NOTES
City Hourly Rate	136.72	5.00	\$143.56	
FAC-2			% of project	3.00% on projects less than 40K 2.00% projects 40K-250K 1.00% projects 250K-500K
FAC-3			\$130.00-\$175.00 per hr	
FAC-6			approx \$35.00 per hr plus 20.00% markup, total hourly \$42.00	
FAC-11			N/A	Rate is based on the specifics of the project, including timeline & scale
FAC-12			\$150.00-\$190.00 per hr	

### COMMENTS

- Challenging to get any information without more specifics or a site visit for most companies contacted.
- FAC 3 and FAC 12 hourly rates are comparable with the City’s rate which is on the low end of the range of \$130-\$190 per hour.
- FAC 6 is an outlier. Their rate is extremely low and will not be considered in the comparison.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- City consider percentage fee method if customers are in favor.

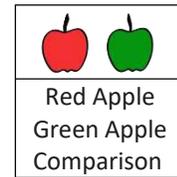
## MAINTENANCE TECHNICIAN HOURLY RATE

In this comparison table, the City’s rate for maintenance technicians for facilities and related repair was compared to the private sector. Maintenance repair business contacted included heating and air conditioning and plumbing among others.

TABLE 2.5 — MAINTENANCE TECHNICIAN HOURLY RATE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)	NOTES
City Hourly Rate	105.60	5.00	110.88	
FAC-5			59.00	
FAC-7			No longer using hourly rate	Using Flat rate dependent upon service rather than time. \$89 for a diagnostic visit
FAC-8			130.00	Plus \$60 truck fee
FAC-9			159.00	
FAC-10			105.00	

### COMMENTS

- FAC 5 was for general maintenance needs.
- FAC 7 and FAC 8 were quotes for plumbing issues.
- FAC 9 and FAC 10 were for heating and cooling issues.
- FAC 5’s rate is an outlier and will not be included in the comparison.
- The rate ranges from \$105-\$159 per hour with the City’s rate of \$110.88 is on the low end of the range.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s Maintenance Technician Hourly Rate.

# PRIVATE SECTOR RATE COMPARISON: PRINTING & DISTRIBUTION

SRG compared the City’s costs of printing based on copy center and in-bureau costs with the private sector costs. Comparing printing costs is much easier as it’s a similar service found in the public sector and is based on units. SRG contacted a variety of types of printing services to compare with the City’s rates.

Since the 2015 study, there has been no change in Printing & Distribution Rate Methodology.

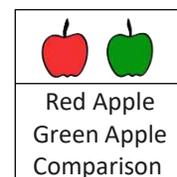
## PRINTING RATE SCENARIO

Comparing rates using a scenario is more realistic and offered a basis for comparison. The City selected the following scenario to compare Printing Rates, compared to the cost of placing a copier in a City bureau and making 1,000 copies: *The Cost of placing a copier in a private sector office for one month and making 1,000 black and white copies.*

TABLE 3.1 — PRINTING RATE SCENARIO: BLACK & WHITE COPIES								
CITY / BUSINESS	BASE (\$)	MARK UP (%)	RATE (\$) Per Sheet	PER MONTH LEASE (\$)	COPIES INCL. W/ LEASE	OVERAGE CHARGE PER COPY	PER MONTH TOTAL COST (\$)	NOTES
City Rate	0.042	5.50	0.0443	N/A	N/A		44.30	
P&D-6			0.016	272.48	2,000	0.016 B&W 0.085 B&W	288.48	0.016 rate used in this calculation
P&D-7			0.009	249.45	2,000 B&W 900 Color	0.009 B&W 0.055 Color	258.45	*Lease includes
P&D-8			0.0080 B&W 0.0047 Color	318.00	None	0.0080 B&W 0.0047 Color	326.00	**Lease includes
P&D-8a			0.0080 B&W 0.0047 Color	415.00	None	0.0080 B&W 0.0047 Color	423.00	**Lease includes

### COMMENTS

- In the comparison, it’s assumed that the business has met their annual 2,000 copies threshold and are beginning to pay per copy rate plus their monthly lease.
- City Bureaus have up-front capital cost but own the copier at the end of the term. With a vendor lease, the bureau would not own them at the end of the term



without paying a buyout fee.

- All monthly rates are based on a 60-month lease.
- P&D 8 provided a quote on two different copiers. It was unclear if the machines upon which the quotes are based are considered middle of the road, average printer/copiers or if they are top end machines. The first quote is for a Canon IR Advance C5560i: 60 pages per minute, 4,900 sheet paper capacity. The second quote is for Canon IR Advance C7570i, 70 pages per minute, 7,000 sheet paper capacity.
  - \*Lease includes: parts, labor, image drums and consumable supplies (doesn't include paper or staples)
  - \*\*Lease includes: per page maintenance agreement that includes all toner, supplies, parts, service, and a replacement guarantee. (doesn't include paper)
- Comparing the City's rate with the private sector is a valid comparison for overall costs. Private sector lease rates fund the existing machines capital cost, while City rates fund the costs of a replacement machine.

**RECOMMENDATION**

- No change to the City's In-Bureau Printing Rate.

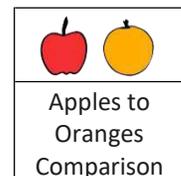
**PRINTING & DISTRIBUTION RATE**

In this table, SRG is comparing the City's copy center rate for black and white printing with the private sector. The costs are compared by per sheet cost.

TABLE 3.2 — COPY CENTER RATE: BLACK & WHITE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE PER SHEET (\$)	NOTES
City Hourly Rate	0.0365	5.50	0.039	
P&D-1			0.21	Cost based on number of images/Includes paper
P&D-2			0.10	Cost based on number of images/Includes paper
P&D-3			Doesn't do per-sheet jobs	Cost based on number of images/Includes paper
P&D-4			0.10	Cost based on number of images/Includes paper. Volume discount.
P&D-5			Based on job	Costs based on number of images/includes paper

**COMMENTS**

- Black and white copy center rates range from \$0.039 to \$0.21 cents per sheet, with the City's rate the lowest at \$0.039.
- SRG shared in 2015 that private sector is open to estimating the cost of the job to get the work. That remains true in 2018. Many times, the private sector will bid low to get the job.
- Comparing the City's rate with the private sector is a valid comparison for overall costs.



**RECOMMENDATION**

- No change to the City’s copy center black and white rate.

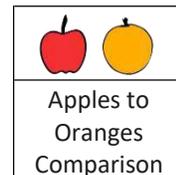
**COPY CENTER COLOR PRINTING RATE**

In this table SRG is comparing the City’s copy center charges for color printing with the private sector. The costs are compared by per sheet cost.

<b>TABLE 3.3 — COPY CENTER RATE: COLOR</b>				
<b>CITY / BUSINESS</b>	<b>BASE (\$)</b>	<b>GFOH (%)</b>	<b>RATE PER SHEET (\$)</b>	<b>NOTES</b>
City Hourly Rate	0.156	5.50	0.165	
P&D-1			0.69	Cost based on number of images/Includes paper
P&D-2			0.40	Cost based on number of images/Includes paper
P&D-3			Doesn’t do per-sheet jobs	Cost based on number of images/Includes paper
P&D-4			1.25	Cost based on number of images/Includes paper. Volume discount.
P&D-5			Based on job	Cost based on number of images/Includes paper

**COMMENTS**

- Color copy center rates range from \$0.165 to \$1.25 per sheet with the City’s rate the lowest at \$0.165.
- SRG shared in 2015 that private sector is open to estimating the cost of the job to get the work. That remains true in 2018. Many times, the private sector will bid low to get the job.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



**RECOMMENDATION**

- No change to the City’s copy center’s color rate.

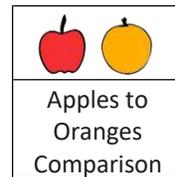
## PRODUCTION STAFF HOURLY RATE

In this table, SRG is comparing the City’s Production staff hourly rate with the private sector. In the private sector the press rate, design rate or a combined function of the two are more common. Therefore, SRG compared the City’s Press Rate and Design Rate with the private sector.

TABLE 3.4 — PRODUCTION STAFF HOURLY RATE					
CITY / BUSINESS	BASE (\$)	GFOH (%)	PRESS RATE (\$)	DESIGN RATE (\$)	NOTES
City Hourly Rate	67.66	5.50	71.38		
City Hourly Rate	90.84	5.50		95.84	
P&D-2			300.00	110.00	
P&D-3			50.00-60.00	50.00-60.00	
P&D-4			80.00	80.00	All other rates are set based on the specifics of the job
P&D-5			120.00	120.00	

### COMMENTS

- Rates are described in terms of design, binding and hand work and press hourly rates. The rate also varies by machine.
- Rates are compared by press rate and design rate. Some vendors use the same rate for both and others charge a different rate for each.
- Press Rate: The rates range from \$50-\$300 per hour with the City’s rate of \$71.38 is near the low end of the range.
- Design Rate: The rates range from \$50-\$120 per hour with the City’s rate of \$95.84 near mid-range in this comparison.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s Production Hourly rate.

# PRIVATE SECTOR RATE COMPARISON: TECHNOLOGY SERVICES

SRG compared the costs of various technology services offered by the City to the private sector. Similar to the 2015 study, SRG found bundling of services the standard practice in the private sector. SRG contacted a variety of businesses that provided a range of IT services, including SRG’s IT provider which provided important insight into the sector and how it operates.

Since the 2015 study, there has been no change in Technology Services Rate Methodology.

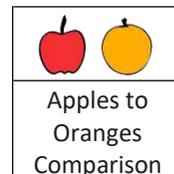
## TRUNKED ACCESS RATE SCENARIO

Comparing rates using a scenario is more realistic and offered a basis for comparison. The City selected the following scenario to compare Trunked Access Rates: *Obtaining 10 portable radios and 5 mobile radios for one month for use at an event.*

CITY / BUSINESS	ONE MONTH TRUNKED RADIO ACCESS RATE	10 PORTABLE RADIOS (\$)	5 MOBILE RADIOS (\$)	TOTAL COST (\$)
City Rates	\$39.07	390.70	195.35	585.35
BTS-1	\$15/month access for first channel, \$10 for each additional	150.00	75.00	225.00
BTS-2	\$100/wk for access	4,000.00	2,000.00	6,000.00
BTS-3	\$75/monthly portable w/access  \$120/month mobile	750.00	600.00	1,350.00
BTS – 4	\$90 per week for access	3,600.00	1,800.00	5,400.00

### COMMENTS

- All vendors provide public safety grade services.
- Radios/mobiles are bundled with access to the vendor’s system. This is different than in 2015 where there was a rate with or without radios.
- BTS 1 offers access to the TRBOWEST network, which overs San Diego to Seattle which is a much larger coverage area.
- BTS 3’s rate includes radios because they do not have a separate charge for access to their service.
- All vendors require the customer to purchase/lease/rent radios/mobiles to access their system.



- Having a contract will make a difference in rates.
- Under this scenario the cost ranges from \$225-\$5,400. The City's rate is on the low end of the range at \$585.35.
- Comparing the City's rate with the private sector is a valid comparison for overall costs.

**RECOMMENDATION**

- No change to the City's trunked radio access rate.

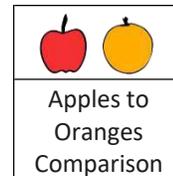
**TRUNKED ACCESS RATE**

In this table the City's trunked radio access annual rate is compared to the private sector's rates annual rate. This is a different comparison than the scenario in that it attempts to present the access rate only.

TABLE 4.2 — TRUNKED ACCESS RATE				
CITY / BUSINESS	BASE (\$)	MARKUP %	ANNUAL TRUNKED RADIO ACCESS RATE (\$)	ANNUAL TRUNKED RADIO ACCESS RATE – WITH RADIO (\$)
City Rates	450.84	4.00	468.87	
BTS-1			180.00	75.00/month w/radio; 15.00/month airtime for first channel, 10.00 for each additional
BTS - 2			5,200.00	35.00/wk radio – 100.00/wk for access
BTS-3			900.00 1,440.00	75.00/monthly portable w/access 120.00/month mobile w/access
BTS-4			4,680.00	90.00 per week per radio /mobile w/access

**COMMENTS**

- All vendors provide public safety grade services.
- All vendors require the customer to purchase/lease/rent radios/mobiles to access their system. The rates presented have been calculated on annual basis to attempt to compare rates with the City's.
- Rates range from \$180-\$5,200 per year with the City's rate being on the low end of the range. The City's rate does not include a radio.
- Comparing the City's rate with the private sector is a valid comparison for overall costs.



**RECOMMENDATION**

- No change to the City's trunked radio access rate.

## BUSINESS SOLUTIONS HOURLY RATE

In this table, the City’s business solutions hourly rate which is for high level program services was compared to private sector technology services. SRG contacted a number of businesses and found a variety of high level programing rates and plans.

TABLE 4.3 — BUSINESS SOLUTIONS HOURLY RATE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)	NOTES
City Rates	98.00	4.00	101.92	
BTS-5			129.00	
BTS-6			800.00 per month	Managed services with annual contract
BTS-7			N/A	Depends on the specific project. Hourly rate or project rate.
BTS-8			80.00-200.00 per hour	Depending on equipment, qualifications of technician and if there is a service agreement

### COMMENTS

- Hourly rates range from \$80-\$200 with the City’s rate of \$101.92, which is on the low end of the range.
- In 2015 an hourly rate was more prevalent where today most are including high level programing as part of contractual relationship where other services are included such as BTS-6.
- BTS-5 stressed that the rate is variable depending upon the specific job.
- BTS-6 managed service rate is based on a general office setting and includes help desk support, workstation maintenance, personalized advisor to work directly with the company on strategic problem solving and improving efficiencies.
- Due to managed service scenarios and job variabilities, comparison not valid.



### RECOMMENDATION

- No change to the City’s business solutions hourly rate.

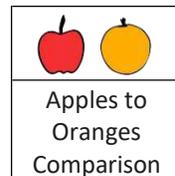
## SUPPORT CENTER HOURLY RATE

In this table, the City’s support center hourly rate which is for providing trouble shooting and technology support for workstations was compared to private sector technology services. SRG contacted a number of businesses and found a variety of rates; however, the service is most bundled in managed service plans.

TABLE 4.4 — SUPPORT CENTER HOURLY RATE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)	NOTES
City Rates	98.00	4.00	101.92	
BTS-5			129.00	
BTS-6			N/A	Part of managed services
BTS-7			N/A	Part of managed services
BTS – 8			105.00	\$135.00 legacy equipment, plus \$45.00 trip fee

### COMMENTS

- Hourly rates range from \$101.92-\$129.00 with the City’s rate of \$101.92, the lowest rate in the range.
- In 2015 an hourly rate was more prevalent where more are bundling support center services as part of contractual relationship where other services are included such as BTS-7.
- BTS 7 is a managed services firm that offers two primary monthly plans.
- The Foundations plan includes: security, monitoring, patching, support and discounts on hourly work outside the purview of the contract (on a scale determined by the size of the client business.) That rate is \$20/workstation/month and \$75/server/month.
- The Fully Managed plan is a comprehensive plan that includes all services that would be provided by an internal IT department. That rate is \$65/workstation/month and \$250/server/month. This type of service is much more common today.
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s support center hourly rate.

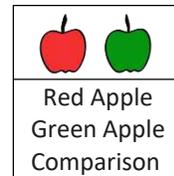
## PROJECT MANAGEMENT HOURLY RATE

In this table, the City’s project management hourly rate which is for managing telephone and technology projects was compared to the private sector. SRG contacted a number of businesses and found an hourly rate most common.

TABLE 4.5 — PROJECT MANAGEMENT HOURLY RATE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)	NOTES
City Rates	98.00	4.00	101.92	
BTS – 5			129.00	
BTS – 6			150.00	
BTS – 7			N/A	
BTS – 8			150.00-175.00	

### COMMENTS

- Hourly rates range from \$101.92-\$175.00 with the City’s rate of \$101.92 the lowest rate in the range.
- BTS 5 and BTS 6 offer lower hourly rates if the client signs a monthly managed services contract.
- BTS 7 includes project management services in their comprehensive monthly plan. For their lower level plan, the project manager rate is on a scale determined by the size of the client’s business.
- BTS 8 only uses project managers for very large jobs. Smaller jobs are charged per “location” (e.g. workstation, phone line, etc.)
- Comparing the City’s rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City’s project management hourly rate.

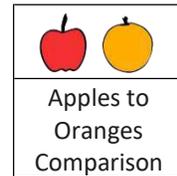
## RADIO SHOP HOURLY RATE

When radios need repair, BTS charges an hourly rate to recover costs. SRG contacted a number of businesses in the region to compare radio shop hourly rates with the City's.

TABLE 4.6 — RADIO SHOP HOURLY RATE				
CITY / BUSINESS	BASE (\$)	GFOH (%)	RATE (\$)	NOTES
City Rates	104.50	4.00	108.68	
BTS 1			150.00	\$75 minimum
BTS 2			125.00	
BTS 3			143.00	

### COMMENTS

- Hourly rates range from \$108.68-\$150.00 with the City's rate of \$108.68, the lowest rate in the range.
- Comparing the City's rate with the private sector is a valid comparison for overall costs.



### RECOMMENDATION

- No change to the City's radio shop hourly rate.

## **PUBLIC SECTOR COMPARISON METHODOLOGY**

In 2015, SRG found many cities using cost allocations models to recover internal service costs, therefore in this year's study, SRG performed extensive research to identify cities using internal service funds without cost allocation models. Overall, we found that most use cost allocation models and those that use internal service funds have discontinued them or established a hybrid. When asked why they use the allocation model the responses ranged from "it is more transparent" while others believe there "isn't that much difference between to the two approaches." Some cities are using a combination of cost allocation and internal service fund. SRG's in the opinion that software products designed to perform cost allocations easily are playing a significant role in driving this change.

In the 2018 Study, SRG performed extensive research to identify cities that used internal service funds; had similar populations and were willing to work with SRG to share rates and methodology. SRG excluded a number of cities from the study before landing on: Charlotte, NC; Fresno, CA; Austin, TX; Indianapolis, IN; Minneapolis, MN and Columbus, OH. After no response from Austin and no follow up as promised by Minneapolis, SRG selected four more cities of comparable size to Portland. Omaha, NE; Baltimore, MD; San Francisco, CA and Boston MA. In the end, Boston and San Francisco did not participate.

With vacations and staff changes, it has required more time and patience to reach the appropriate contact than it was three years ago, which may or may not have produced the information necessary for the study. SRG attributes some of the delays due to staff work load in major cities and budget seasons.

SRG highly recommends the City consider other strategies to enlist the support of city participants in the future, such as forging professional organization relationships. Alternatively, the City may want to compare itself to local area counties or similar local governments.

## **PUBLIC SECTOR ENTITY CONTACTS**

The following is a general summary of some of the comments/scenarios collected from cities as relevant to the four categories of study:

- Discontinued internal service funds
- Uses cost allocation methodology instead of internal service funds
- Costs are funded through General Fund expenditures
- Do not charge a separate motor pool rate or have a motor pool
- Do not charge a space rental fee to their bureaus, departments, divisions, etc.
- Bundling services under a single rate.
- Shares some fixed costs with the County government

## **EXPLANATION**

As background, the primary funding source for OMF Internal Service Funds (ISFs) is Interagency Service Agreements (IAs) with City bureaus, as well as other local governments and agencies. The funds' IAs and contracts with local governments are based on either rate-based charges or pass-through costs.

OMF ISFs will recover 100% of their costs by charging for the services they provide. The only General Fund discretionary money received is for funding a few specific projects.

OMF IAs include a budgeting component and a billing component. The budgeting component includes an estimate prepared by the provider to the receiver of projected costs in the upcoming fiscal year. This estimate will be based on the rates developed for the upcoming year and a forecast of the number of units the receiver will use. Billings take place through the City's SAP system and are based on actual service levels and agreed upon rates.

After thoroughly researching OMF's IAs and internal budgeting processes, SRG contacted individuals in the relevant departments of the aforementioned cities. Navigating the various bureaus and departments of each of the cities was tricky and time-consuming, and often did not produce the desired results. In the case of the absence of relevant and/or helpful data, "[NO DATA]" is indicated within the tables in this section.

# PUBLIC SECTOR RATE COMPARISON: FLEET

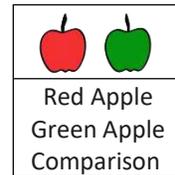
## FLEET RATE COMPARISON

The following table compares the City’s Fleet rates with public sector entities. Fleet includes rates for technicians, shop consumables, parts markup and motor pool. Again fleet rates are the most easily compared because most public sector entities provide fleet services.

TABLE 5.1 — FLEET RATE COMPARISON				
CITY	TECHNICIAN HOURLY RATE (\$)	SHOP CONSUMABLES	PARTS MARKUP (%)	MOTOR POOL DAILY (\$)
City Rates	123.79	1.35%	23.92	35.00
Charlotte	80.75 plus admin rate 31.00 = 111.75	20.00%	13.40% plus 1% inflation factor = total 14.40%	(NEW) General fund expenditure-introducing hybrids and electric cars
Columbus	75.00 light duty 95.00 heavy duty	5.00%	35.00	No Motor Pool
Fresno	90.00	No Shop Consumables rate	25.00	No Motor Pool
Indianapolis	[NO DATA]	[NO DATA]	[NO DATA]	No Motor Pool
Omaha	75.00	\$5.00 Flat rate	No Parts Markup rate	No Motor Pool
Seattle*	[NO DATA]	[NO DATA]	[NO DATA]	121.00

### COMMENTS

- **Charlotte:** In 2015, they didn’t have a motor pool and very recently initiated an electric/hybrid vehicle motor pool. It is funded via General Fund and grant.
- **Columbus:** Fleet operates like a private business which in their opinion is more defensible than a cost allocation model. Their Fleet Department use uses Assets Works software. City departments have their own vehicles which they purchase from their budget. Fleet services the vehicles and charge by the hour.
- **Fresno:** City Departments purchase their own vehicles from their budget; however, fleet manages the purchase of the vehicle and adds extra equipment if needed. The department is billed for service costs.
- **Omaha:** They charge \$41.00 per hour technician time for oil and service. The person performing the service is qualified but does not do any diagnostic or repair—hence the lower rate.
- **Motor Pool:** Cities with no motor pool either do not have a motor pool or individual bureaus / departments purchase the vehicles from their budget and are used by their staff. Columbus and Fresno have never had a motor pool; Omaha and Indianapolis retired their motor pools



over time and now city departments that want vehicles purchase from their budget.

- **\*Seattle:** SRG was able to obtain Motor Pool rates from Seattle for a regional comparison. They charge \$12.00 per hour for an electric or hybrid compact sedan, \$14.00 per hour for a mid- or full-size sedan, and \$19.00 per hour for a van, truck or SUV with a maximum charge of \$121. They charge late fees, no-show fees and lost key fees.

**FLEET RATE COMPARISON SUMMARY**

<b>TABLE 5.2 — FLEET RATE COMPARISON SUMMARY</b>		
<b>RATE</b>	<b>RANGE OF RATES SURVEYED</b>	<b>CITY RATE COMPARISON / COMPARABLE CITY</b>
Labor Rate	\$75 to \$123.79/hour	City’s \$123.79; Charlotte at \$111.75
Parts Markup	0% to 35%	City’s 23.92%; Fresno at 25%
Shop Consumables	\$5 flat rate to 20%	City’s 1.35%; Columbus at 5%
Motor Pool Daily Rate	\$35 to \$121/day	City’s \$35; Seattle at \$121

**RECOMMENDATION**

- No change to the City’s Fleets rate except to consider different labor rates for different skill level technicians to perform services such as changing oil and filters.

# PUBLIC SECTOR RATE COMPARISON: FACILITIES

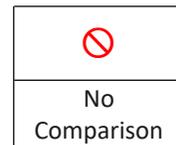
## FACILITIES RATE COMPARISON

The following table compares the City’s Facilities rates with public sector entities. Rates for Class A & B Buildings, property management, project management and maintenance technicians.

CITY	CLASS A BUILDING SQ FT (\$)	CLASS B BUILDING SQ FT (\$)	PROPERTY MGMT HOURLY (\$)	PROJECT MGMT HOURLY (\$)	MAINTENANCE TECHNICIAN HOURLY (\$)
City Rates	21.19	19.28	143.56	143.56	110.88
Charlotte	19.65	16.40	Included in sq ft rate	Included in sq ft rate	Included in sq ft rate
Columbus	General Fund expenditure				
Fresno	Discontinued Internal Service Funds / Cost Allocation				
Indianapolis	[NO DATA]				
Omaha	Cost Allocation-General Fund	Cost Allocation-General Fund	Cost Allocation-General Fund	Cost Allocation – General Fund	Cost Allocation-General Fund

### COMMENTS

- Cities that use a cost allocation model to recover costs to manage facility services typically calculate the allocation based on square feet and the percentage of space used by occupant.
- **Charlotte:** In the 2015 study, Charlotte did not charge a square foot rate. They recently initiated a square foot rate to recover costs. They do not charge an additional rate for project management; property management or maintenance technician. These services are included in the square foot rate. Some of their technical services are contracted with the private sector.
- **Columbus:** Facilities management is a General Fund expenditure.
- **Fresno:** Discontinued the facilities internal service fund and transitioned to a cost allocation model in the General Fund Their City Manager was more comfortable with the cost allocation plan. They use MaxCars and MGT of America software products. Cost Allocation is standardized and when a city needs to submit documentation to the federal government the cost allocation plan produces a complete package. The ISF formatting makes more difficult to get it through the federal approval process. The cost allocation model also maximizes cost recovery using a step down method or a sequential process that allocates cost of service



department to other service departments as well as operating departments. It provides the ability to capture more costs. The metric is a percentage of the occupied square foot.

- **Omaha:** Facilities management is a general fund expenditure.

**FACILITIES RATE COMPARISON SUMMARY**

<b>TABLE 5.4 — FACILITIES RATE COMPARISON SUMMARY</b>		
<b>RATE</b>	<b>RANGE OF RATES SURVEYED</b>	<b>CITY RATE COMPARISON / COMPARABLE CITY</b>
Class A Space	\$19.65 to \$21.19/sq ft; difficult to obtain broad range of rates	City’s \$21.19; Charlotte at \$19.65
Class B Space	\$16.40 to \$19.28/sq ft; difficult to obtain broad range of rates	City’s \$19.28; Charlotte at \$16.40
Property Management Hourly Rate	City’s hourly rates (\$143.56 for Property & Project Management; \$110.88 for Maintenance Technician) are not comparable as other cities either include staff costs in square footage rates or cost allocation models	
Project Management Hourly Rate		
Maintenance Technician Hourly Rate		

**RECOMMENDATION**

- No change to the City’s facilities rates.

# PUBLIC SECTOR RATE COMPARISON: PRINTING & DISTRIBUTION

## PRINTING & DISTRIBUTION RATE COMPARISON

The following table compares the City’s Printing rates with public sector entities. Rates for production staff, in bureau copier and copy center (black & white and color) are included.

TABLE 5.5 — PRINTING & DISTRIBUTION RATE COMPARISON			
CITY	PRODUCTION STAFF HOURLY (\$)	IN BUREAU COPIER (\$)	COPY CENTER (\$)
City Rates	71.38	0.0443 B&W	0.039 B&W 0.165 Color
Charlotte	Discontinued Internal Service Funds / [NO DATA]	.027 B&W Contract with RICCO	.027 B&W Contract with RICCO
Columbus	Cost Allocation/General Fund	Cost Allocation/General Fund	Cost Allocation/General Fund
Fresno	Discontinued Internal Service Funds / [NO DATA]	Discontinued Internal Service Funds / [NO DATA]	Discontinued Internal Service Funds / [NO DATA]
Indianapolis	N/A	0.027 B&W 0.04 Color	0.027 B&W 0.04 Color
Omaha	60.00	N/A	.02 B&W .15 color

### COMMENTS

- **Charlotte:** Their system has not changed in three years. They continue to contract with Ricco which is based in City Hall. Contracts includes all supplies; except paper. Depending on usage each department pays a maintenance fee plus a portion of the RICCO lease.
- **Columbus:** They use a cost allocation model in the General Fund and allocate departmental usage based on a percentage.
- **Fresno:** City Departments purchase their own copier/printers from their budget and buy their own supplies. Since copiers are more than copiers and are part of the network, Fresno’s IT Department manages the copier/printer contract and if the department needs assistance they contact IT. Large printing jobs are outsourced to a private printer and the departments pay for direct charges
- **Indianapolis:** They contract with Ricco to provide individual copier/printers to their different departments. Ricco manages over 270 copiers/printers. The contract includes all supplies except paper. Each device is charged a different monthly payment ranging from \$9.49-\$110 per month. In addition, they are charged a per copy rate depending on whether it is black and



white or in color. Each device is also charged a percentage of the management support fee of \$5,550 per year.

- **Omaha:** They have formed a relationship with Douglas County which now manages printing for the City of Omaha and County. It operates like a business. Several years ago, they discontinued placing copiers in city departments. All printing is centralized.

**PRINTING COMPARISON RATE SUMMARY**

<b>TABLE 5.6 — PRINTING &amp; DISTRIBUTION RATE COMPARISON SUMMARY</b>		
<b>RATE</b>	<b>RANGE OF RATES SURVEYED</b>	<b>CITY RATE COMPARISON / COMPARABLE CITY</b>
Copy Center	\$0.027 to \$0.039/ black & white copy; \$0.0165 to \$0.04/color copy	City's \$0.039 black & white; City's \$0.165 color Indianapolis at \$0.027 black & white; Indianapolis at \$0.04 color
In Bureau Copier	\$0.027 to \$0.0443/ black & white copy	City's \$0.0443 black & white; Indianapolis at \$0.027 black & white
Production Staff	City's hourly rates are not comparable as other cities either include staff costs in cost allocation models or vend out the work	

**RECOMMENDATION**

- No change to the City's Printing Rates.

# PUBLIC SECTOR RATE COMPARISON: BUREAU OF TECHNICAL SERVICES

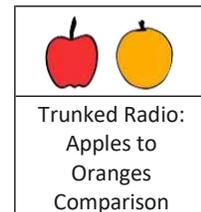
## TECHNOLOGY SERVICES RATE COMPARISON

The following table compares the City’s Technical Services rates with public sector entities. Rates for trunked radio access, business solutions, support center, project management and radio shop.

TABLE 5.7 — TECHNOLOGY SERVICES RATE COMPARISON					
CITY	TRUNKED RADIO ACCESS (\$)	BUSINESS SOLUTIONS (\$)	SUPPORT CENTER (\$)	PROJECT MGMT (\$)	RADIO SHOP (\$)
City Rates	468.87	101.92	101.92	101.92	108.68
Charlotte	495.48	[NO DATA]	Incl. in Trunked Radio Access	[NO DATA]	Incl. in Trunked Radio Access
Columbus	[NO DATA]	173.32	Per Desktop 701.16 Per tablet 1,107.90	Included in support rate	[NO DATA]
Fresno	Discontinued Internal Service Funds / Cost Allocation				
Indianapolis	[NO DATA]				
Omaha	Cost Allocation/General Fun	Cost Allocation/General fund	Cost Allocation/General fund	Cost Allocation/General fund	Cost Allocation/General fund
WCCCA	374.21 (user) 582.41 (non)	[NO DATA]	[NO DATA]	[NO DATA]	70.00

### COMMENTS

- Omaha:** They have established two categories for Information Technology: Functional and Infrastructure.
  - Functional is where the department has IT staff operating in the department that manages their software training, takes care of their support, etc. If needed, the department can contract outside services. Staffing, software, etc. is a department expenditure.
  - For Infrastructure (fixed costs), the City shares with the County. These are the servers, networks, phones, etc. They use a cost allocation model to determine what to charge each department based on percentage of usage.
- WCCCA** (Washington County Consolidated Communications Agency in Oregon):



users (Washington County Government Agencies: Fire, Police) have their own radios and are charged \$374.21 per year to access trunked radio systems. Non-users are charged \$582.41 per year. Members are charged a 41% increase in three years and 17% increase for non-members.

**TECHNOLOGY SERVICES RATE COMPARISON SUMMARY**

<b>TABLE 5.8 — TECHNOLOGY SERVICES RATE COMPARISON SUMMARY</b>		
<b>RATE</b>	<b>RANGE OF RATES SURVEYED</b>	<b>CITY RATE COMPARISON / COMPARABLE CITY</b>
Trunked Radio Access Rate – General	\$374.21 to \$582.41	City’s \$468.87; Charlotte at \$495.48
Business Solutions Hourly Rate	\$101.92 to \$173.32/hour	City’s \$101.92; Columbus at \$173.32
Support Center and Project Management Hourly Rates	City’s hourly \$101.92/hour is not comparable as others include in cost allocation models or equipment rates	
Radio Shop Hourly Rate	\$70 to \$108.68/hour	City’s \$108.68; WCCCA at \$70.00

**RECOMMENDATION**

- No change to the City’s Technical Services Rates.

## INFORMATION ABOUT SYNERGY RESOURCES GROUP

Debra Dunn founded Synergy Resources Group (WBE and ESB certified) in 2012 based on a clear vision that the cooperation of specially selected individuals using their distinct talents leads to greater results for businesses, organizations (501c3 and 501c6) and government entities. By focusing on a singular goal—enhancing performance—Synergy's approach provides the knowledge and talent an organization needs to move forward and thrive.



Dunn specializes in working with businesses and nonprofit organizations facing market-driven change and transformation. Her expertise is in her ability to assess an organization's position, develop short- and long-term business plans that set measurable goals, and subsequently lead an implementation team of knowledgeable and well-trained consultants and staff. Dunn leverages a unique organizational analysis and performance tool called 4Key in this process. 4Key is an organizational development and performance model Dunn designed to increase an organization's effectiveness, efficiency and to enable the organization to achieve its strategic goals. The process involves data collection and analysis in four key areas of an organization: Fiscal Management, Marketing/Business Development, Operations/Systems, and Management/Personnel. Dunn analyzes your organization's internal capacity, strengths and opportunities for improvement and turns the analysis into action using decision driven tactics. After the analysis, a comprehensive business plan—including a series of prioritized recommendations—is provided in each area. An implementation plan follows which includes action items and timelines for assigned individuals/teams. Guidance/coaching/training is provided to the organization's principals and/or employees to enable successful completion of the recommendations to achieve their defined goals. Variations of the model are used depending on the specific client's needs.

With over 20 years of business and executive leadership experience, Debra Dunn has a proven track record of articulating a common vision and leading diverse interests to desired outcomes. Through Synergy Resources Group, she applies her successful business principles to organizations that, when adopted, deliver positive results.

### **CONTACT:**

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debra@synergyresourcesgroup.com  
503-780-4039

City of Portland  
**Office of Management & Finance**  
Performance Measures

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	Performance Measure	KPM	Measure Type Name	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 YTD Actuals	FY 2019-20 Target	Strategic Target
MF_0004	Percentage of payroll checks direct deposited	NO	EFFECTIVE	94%	94%	0	100%	100%
MF_0020	Number of grant audit findings	NO	EFFECTIVE	0	N/A	0	0	0
MF_0022	Percentage of apprenticeship hours worked on City contracts	NO	EFFECTIVE	18%	17%	0	0	0
MF_0024	Percentage of minority and women hours worked on City construction contracts	NO	EFFECTIVE	27%	24%	0	0	0
MF_0033	Citys unlimited tax General Obligation bond rating (1=Aaa)	YES	KPM	1	1	0	1	1
MF_0041	Business License Tax Gap â€œ estimated difference between business taxes paid/owed (in millions)	YES	KPM	\$6.88	\$8.55	0	\$10.00	\$5.00
MF_1005	Percentage of Service Requests shipped on time	NA	OUTPUT	99%	0	0	99%	100%
MF_1013	Percentage uptime for phone switch	NO	EFFECTIVE	100.00%	100.00%	0	100.00%	0
MF_1016	Percentage of time radio system operated without failure	NO	EFFECTIVE	100.00%	99.96%	0	100.00%	0
MF_1019	First Call Resolution: percentage of problems resolved by Help Desk without escalation to field staff	NO	EFFECTIVE	71.00%	69.50%	0	100.00%	0
MF_1025	Percentage Internet availability	NO	EFFECTIVE	100.00%	100.00%	0	100.00%	0
MF_1077	Investment portfolio yield - % of benchmark	NO	EFFECTIVE	114%	82%	0	100%	100%
MF_1083	Customer service satisfaction rating number (scale 1 to 5)	NO	EFFECTIVE	4.93	2.70	0	3.00	0
MF_1115	Percentage of customers rating project management service provided as excellent	NO	EFFECTIVE	75%	0	0	100%	0
MF_1118	Number of days elapsed from ordering a new desktop PC to installation	NO	EFFECTIVE	4	4	0	4	0
MF_1122	Percentage of diverse (protected class) applicants per fiscal year - female	NO	EFFECTIVE	41%	44%	0	100%	100%
MF_1123	Percentage of diverse (protected class) applicants per fiscal year - minority	NO	EFFECTIVE	32%	32%	0	0	100%
MF_1140	Percentage availability of network excluding scheduled maintenance	YES	KPM	100.00%	100.00%	0	100.00%	0
MF_1141	Percentage of calls answered within 20 seconds	NO	EFFECTIVE	63.00%	80.10%	0	100.00%	0
MF_1147	Mobile Report Entry (MRE) availability (excluding scheduled maintenance)	NO	EFFECTIVE	100%	100%	0	100%	0

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MF_1152	Percentage of computers (workstations and servers) able to accept security patching	NO	EFFECTIVE	97%	99%	0	100%	0
MF_1153	Percentage of mission critical production system availability for Cayenta	NO	EFFECTIVE	100.00%	99.97%	0	100.00%	0
MF_1154	Percentage of mission critical production system availability for SAP	NO	EFFECTIVE	100.00%	99.98%	0	100.00%	0
MF_1155	Percentage of email availability excluding scheduled maintenance	NO	EFFECTIVE	100.00%	99.99%	0	100.00%	0
MF_1156	Percentage of public safety system availability - Bureau of Emergency Communications	NO	EFFECTIVE	100.00%	99.99%	0	100.00%	0
MF_1157	Public Safety systems availability - Police (excluding scheduled maintenance)	NO	EFFECTIVE	100.00%	99.99%	0	100.00%	0
MF_1169	Number of prime contracts awarded to Minority, Women, and Emerging Small Businesses contractors	NO	EFFECTIVE	277	242	0	242	277
MF_1170	Percentage of all subcontract dollars awarded to Minority, Women, and Emerging Small Businesses subs for	YES	KPM	43%	51%	0	0	0
MF_1174	Number of employees enrolled in health coaching programs	NO	WORKLOAD	547	612	0	838	879
MF_1177	Average number of days a SAP Helpdesk customer ticket is open	NO	EFFICIENCY	11.00	8.70	0	9.00	0
MF_1178	Percentage of focused outreach program participants on an eligible list who are hired	YES	KPM	27%	30%	0	0	100%
MF_1179	Percentage of vehicles meeting industry utilization standards	NA	OUTPUT	91%	97%	0	92%	90%
MF_1180	Percentage of sedans that are electric or plug-in hybrid	YES	KPM	39%	44%	0	47%	50%
MF_1185	Basic Copy Center rate as a percentage of private sector rate	YES	KPM	48%	37%	0	40%	48%
MF_1186	Change in the cost of general liability claims over the prior four-year average	YES	KPM	2%	0	0	7%	0
MF_1187	Change in the cost of fleet liability claims over the prior four years	NO	EFFICIENCY	0	0	0	4%	0
MF_1190	Change in the cost of workers compensation claims over the prior four years	NA	EFFICIENCY	2%	0	0	4%	0
MF_1192	Number of CAFR review audit deficiency comments from external auditors	YES	KPM	0	0	0	0	0
MF_1193	Number of days CAFR is completed after fiscal year end	NO	EFFECTIVE	135	124	0	120	120
MF_1194	Cost per dollar collected by Revenue division (all programs)	NO	EFFICIENCY	\$.02	\$.02	0	0	0
MF_1195	Help Desk satisfaction rating (scale 1 to 5)	YES	KPM	4.90	4.91	0	5.00	0

City of Portland  
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 Performance Measures

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MF_1196	Percent of Accounts Payable within 30 days	NO	EFFECTIVE	82%	80%	0	100%	100%
MF_1198	OMF General Fund ending fund balance within policy	NO	EFFECTIVE	100%	100%	0	0	0
MF_1200	Percentage change in sedan class unleaded fuel use over the prior year	NO	EFFICIENCY	-5.00%	4.20%	0	-.50%	-.50%
MF_1205	Citywide Technology Leadership Rating (per customer survey, 1-5 scale)	NO	EFFECTIVE	2.60	3.03	0	3.00	0
MF_1206	Portlandoregon.gov uptime percentage	NO	EFFECTIVE	100.00%	99.99%	0	100.00%	0
MF_1207	PortlandMaps.com uptime percentage	NO	EFFECTIVE	100.00%	99.99%	0	100.00%	0
MF_1208	Service Requests per FTE	NA	EFFICIENCY	2,702	2,365	0	2,300	2,700
MF_1209	Number of qualified candidates in talent pool per high turnover classification opening	NO	EFFECTIVE	0	N/A	0	N/A	N/A
MF_1210	Number of qualified candidates in talent pool per open retirement eligible classification	NO	EFFECTIVE	0	N/A	0	N/A	N/A
MF_1211	Total number of human resource investigations	NO	EFFECTIVE	0	165	0	157	150
MF_1212	Number of days per human resource investigation	NO	EFFICIENCY	0	54	0	51	48
MF_1213	Percentage of employees whose an annual evaluation within 1 month of anniversary date	NO	EFFICIENCY	0	N/A	0	1	1
MF_1214	Average time of complete recruitment	NO	EFFECTIVE	0	96	0	100	N/A
MF_1215	Cycle-time for construction invitation to bid process	YES	KPM	0	0	0	160	160
MF_1216	Cycle-time for Goods and Services request for proposals process	YES	KPM	0	0	0	300	300
MF_1217	Cycle-time for Goods and Services invitation to bid process	YES	KPM	0	0	0	106	106
MF_1218		YES	KPM	0	0	0	240	240
MF_1219	Cycle-time for Construction request for proposals process	YES	KPM	0	0	0	300	300
MF_1220	Number of campsite reports received and processed	NO	WORKLOAD	0	0	0	29,000	0
MF_1221	Number of campsite cleanups performed	NO	OUTPUT	0	0	0	3,200	4,800
MF_1222	Total cleanup costs	NO	EFFICIENCY	0	0	0	\$2,500,000	\$1,875,000

City of Portland  
**Office of Management & Finance**  
 Performance Measures

Run Date: 2/5/19  
 Run Time: 4:27:40 PM

MF_1223	Tons of garbage collected	NO	KPM	0	0	0	2,000	3,500
MF_1224	HR Business Partner customer satisfaction	NO	OUTCOME	0	0	0	4	4
MF_1225	Change in average energy use intensity over the prior year average	NO	EFFICIENCY	0	0	0		
MF_1226	Average customer demand workorder turnaround time	NO	OUTPUT	0	0	0	30	10
MF_1227	Percent of on-time preventive maintenance compliance	NO	OUTPUT	0	0	0		
MF_1228	Average maintenance and operations cost per square foot	NO	OUTPUT	0	0	0		
MF_1229	Percentage of construction projects completed on-time	NO	OUTPUT	0	0	0	80	90
MF_1230	Percentage of construction projects completed under budget	NO	OUTPUT	0	0	0		
MF_1231	Average occupancy rate	NO	OUTCOME	0	0	0		
MF_1232	Average Facilities Services Customer Satisfaction score	NO	OUTCOME	0	0	0	3.00	4.00
MF_1233	Average Facilities Services Employee Satisfaction score	NO	OUTCOME	0	0	0	3.60	4.00
MF_1235	Pieces of US mail processed per distribution employee	YES	EFFICIENCY	0	0	0	1,200,000	0
MF_1236	Percentage of minimum Spectator Venue & Visitor Activities Fund operating reserved maintained	NO	OUTPUT	0	0	0	100.00%	100.00%
MF_1237	Percentage of black and white impressions of program totals	NO	OUTPUT	0	0	0	71%	0