

City Council Briefing



MaryHullCaballero
City Auditor

- **Follow-ups**
- **Police Overtime**
- **Portland Building Contract**
- **Accountability**
Commitments to Voters

Follow-up Reports

Stormwater Management on Private Property



Short-Term Rentals



Green Streets and Restoration Projects

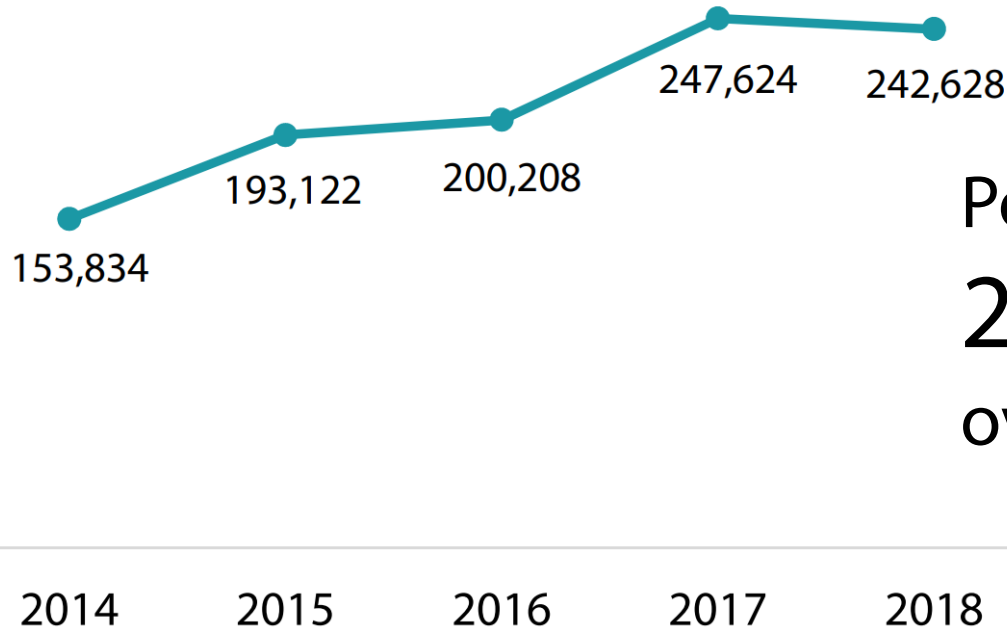


Police Overtime

Police Overtime: Management is lax
despite high overtime
use

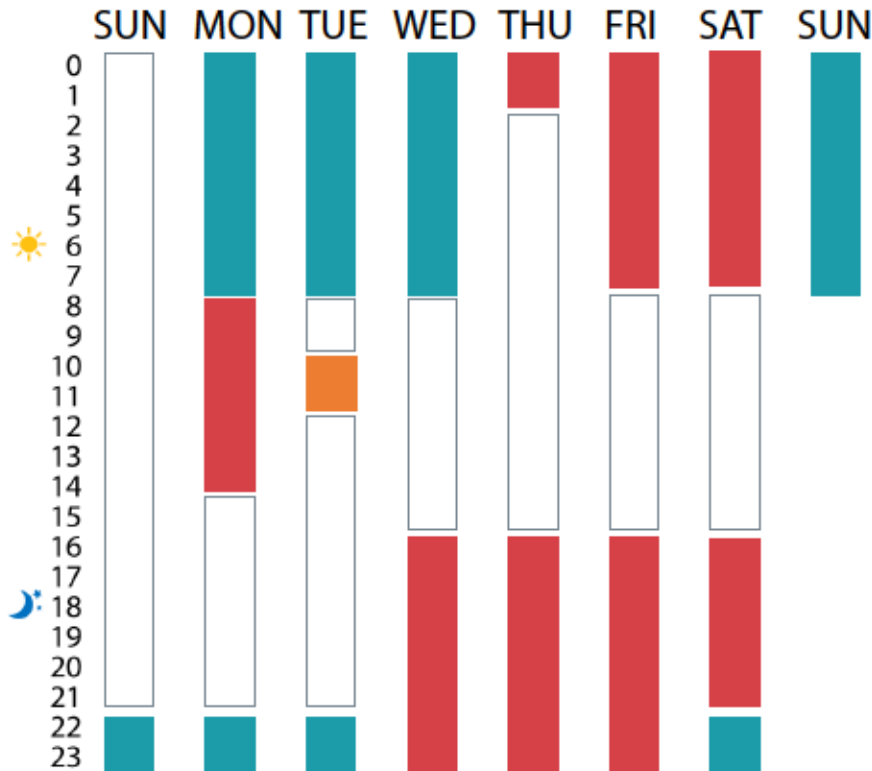


Portland Uses a Lot of Overtime



Police worked nearly
250,000 hours of
overtime

Patrol Officers Work a Lot



97

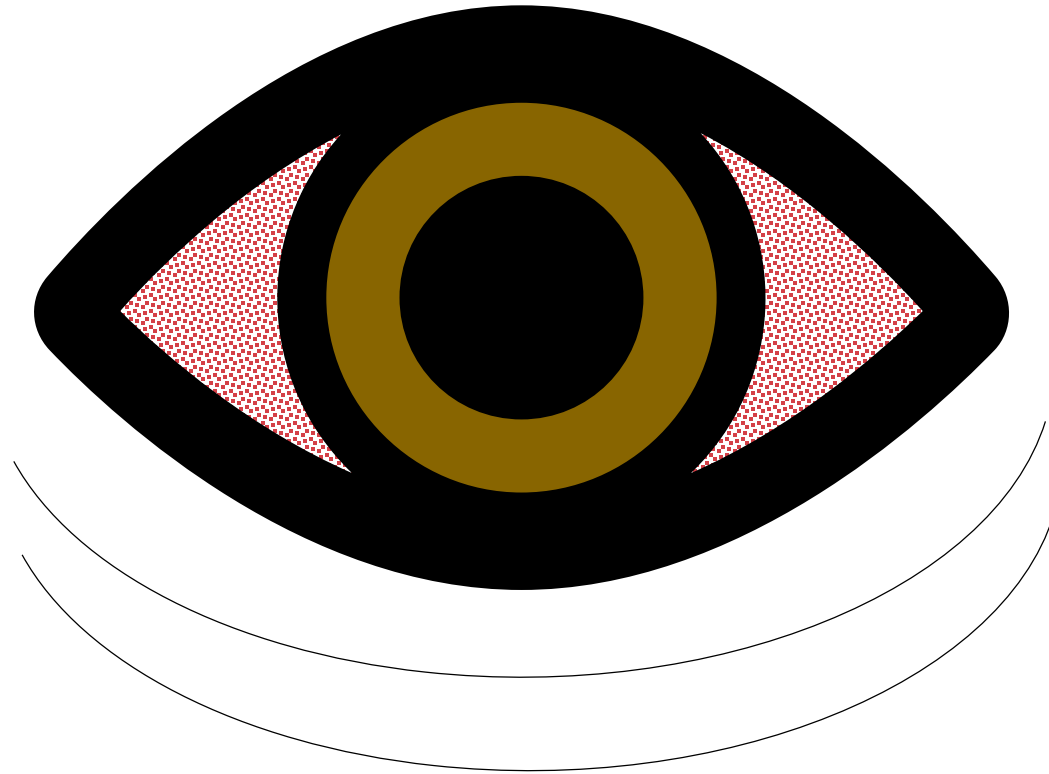
Hours in one week

Regular working hours

Overtime hours

Court overtime hours

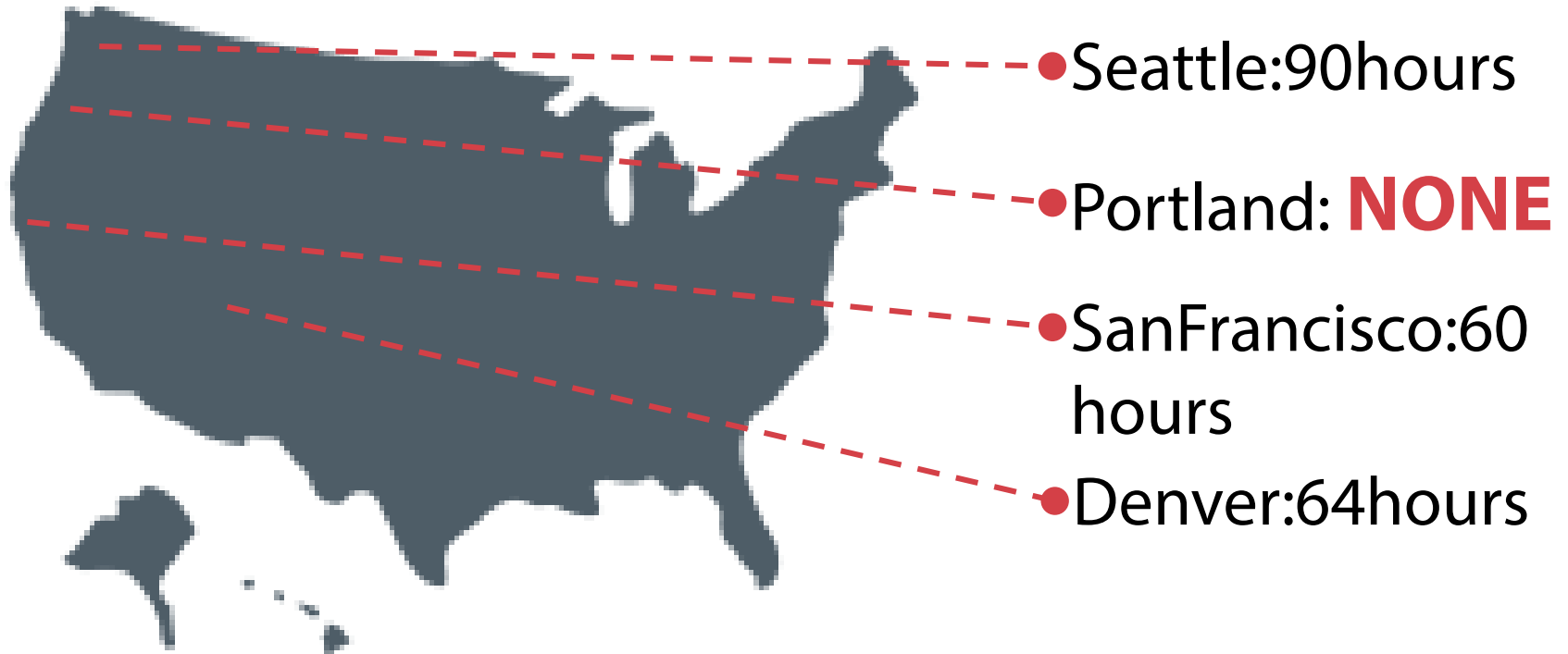
NegativeEffectsofFatigue



No Reports to Identify Officers



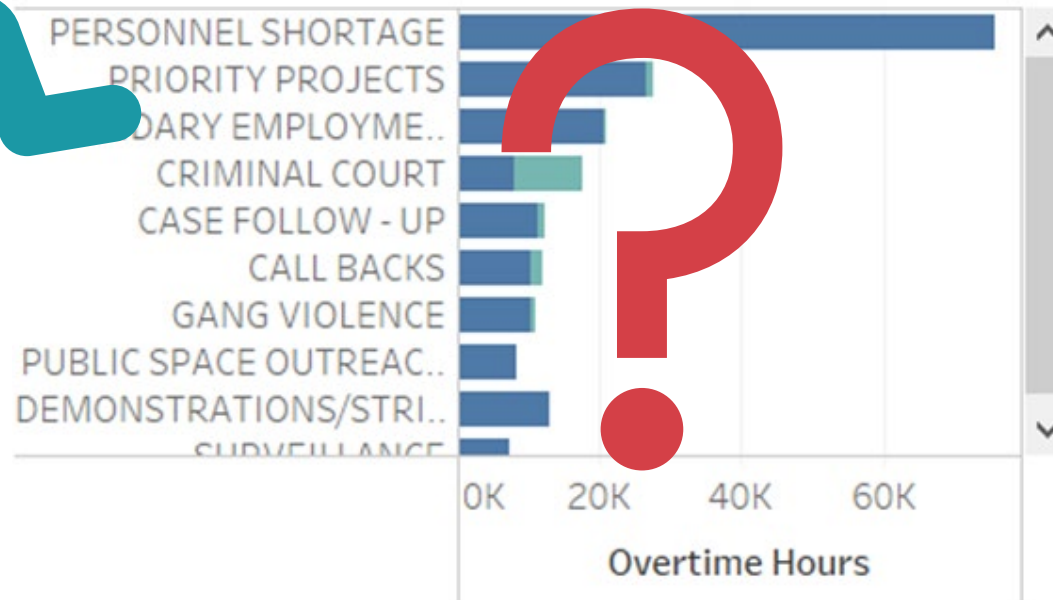
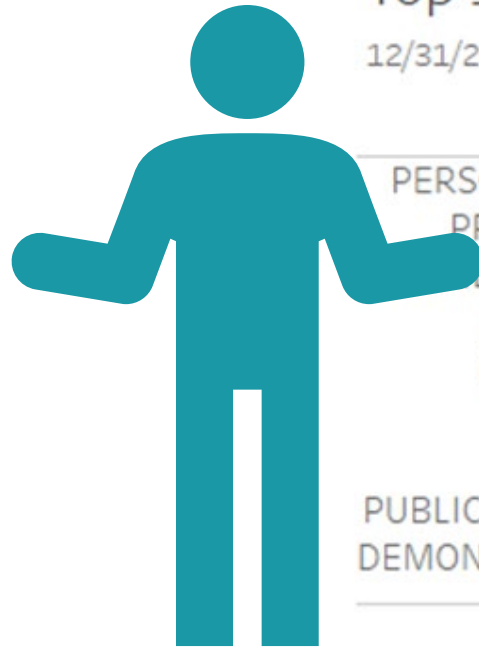
Other Cities Have Limits



Reports to Council Unreliable

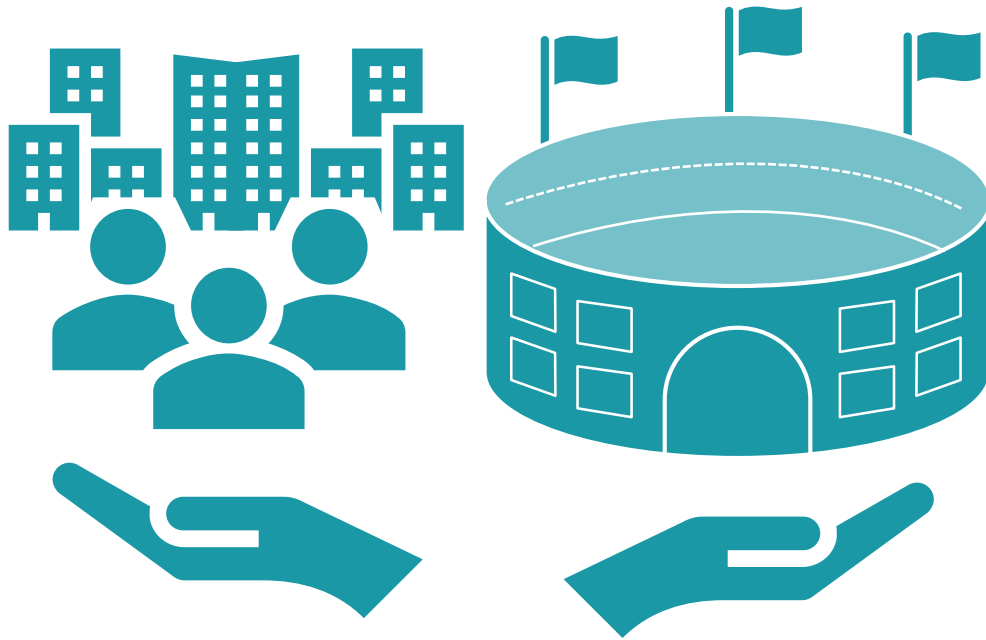
Top 10 Overtime Activities

12/31/2017- 3/31/2019



Source: Bureau report to Council

Off-Duty Work



19,000 Hours

89 Private Employers

29 Percent

Portland Arena

Management

\$1.8 Million

Risks of Off -Duty Work



De-legitimizes the police



Creates appearance of political favoritism



Results in biased policing



Burden City finances

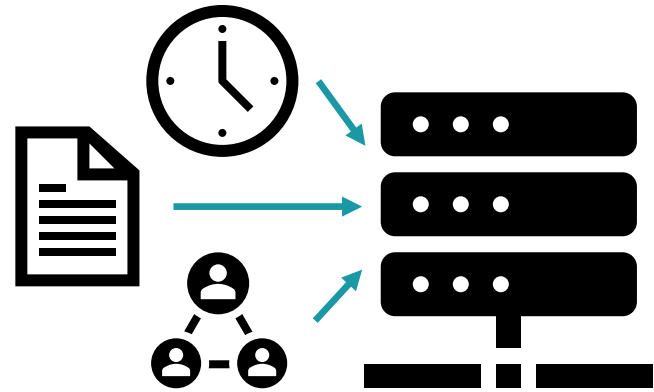
To Improve Management of Overtime



Reports

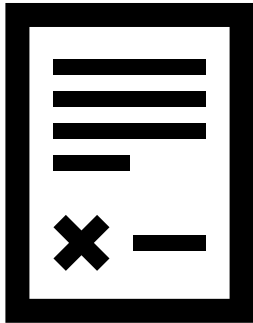


Limits



Data Collection

To Mediate Risks of Off-Duty Work



Contract approval
process



Public reports



Charge overhead
costs and improve
billing

Portland Building Contract

1

PORTLAND BUILDING RECONSTRUCTION:
City faced with important post-planning decisions
to ensure project success

December 2016



Portland City Auditor
Audit Services Division

2

PORTLAND BUILDING FOLLOW-UP:

Greater public transparency needed
about project costs, trade-offs, and
missed equity requirement

June 2019



3

PORTLAND BUILDING CONTRACT:

Costs reviewed are consistent with contract, although required cost classification and calculations for final payment need to start now

October 2019





Design-Build Project Delivery



Traditional Project Delivery



Source: Office of Management & Finance. Portland Building Reconstruction Update slides during Council Work Session. 9/11/18.

As of March 2019

**Contract
value**



\$157.5 million

Billed



\$94 million

60% of total

Costs



Changes



Subcontractors



Costs



AUDIT RESULTS

Generally, billings were:

- ✓ **Accurate**
- ✓ **Supported**
- ✓ **Allowable**

Changes



AUDIT RESULTS

Generally, changes were:

- ✓ **Well-managed**
- ✓ **Properly approved**
- ✓ **Allowable**

Subcontractors



AUDIT RESULTS

High-level review shows sound contractor selection practices for:

- ✓ **Outreach**
- ✓ **Advertisement**
- ✓ **Bidding**
- ✓ **Evaluation**

**Cost
classification**



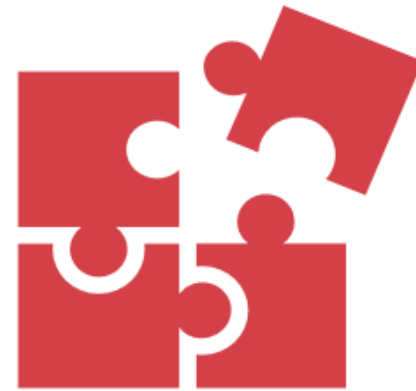
Calculations



**Lessons
learned**



**Cost
classification**



Auditor estimate:

\$77.8million

49% of total is subject to audit

Calculations



1. Ensure estimates are compared to actual costs
2. Can result in cost savings
3. Should begin now

Lessons learned



Examples:

1. Clearer contract language about costs
2. Completed project management plans

Accountability Commitments

ARTS TAX:
Promises to voters only partly fulfilled
July 2015

RECREATIONAL CANNABIS TAX:
Greater transparency and accountability needed
May 2019

FIXING OUR STREETS:
Some accountability commitments not fulfilled
May 2019

PORTLAND HOUSING BOND:
Early implementation results mostly encouraging
June 2019

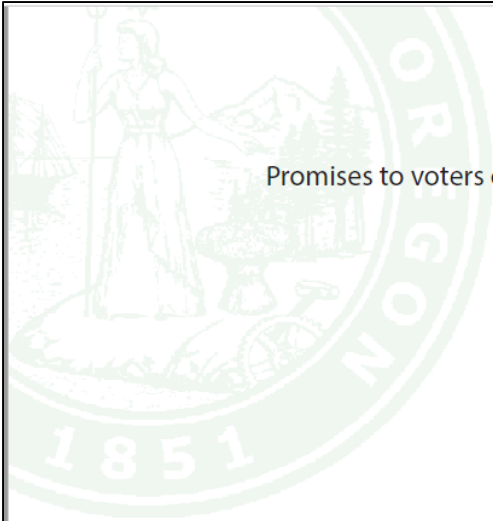
PORTLAND CITY AUDITOR
Audit Services

The City needs to make realistic commitments to voters and ensure they are delivered

December 2019

The City needs to make realistic commitments to voters and ensure they are delivered

December 2019



ARTS TAX:

Promises to voters only partly fulfilled

July 2015

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Portland, Oregon



RECREATIONAL CANNABIS TAX:

Greater transparency and
accountability needed

May 2019



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Audit Services



PORTLAND HOUSING BOND:

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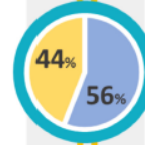
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FIXING OUR STREETS:

Some accountability commitments
not fulfilled

May 2019



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Accountability Measures Often Promised to Voters



**Commitments about what
new resources would be used for**



Oversight



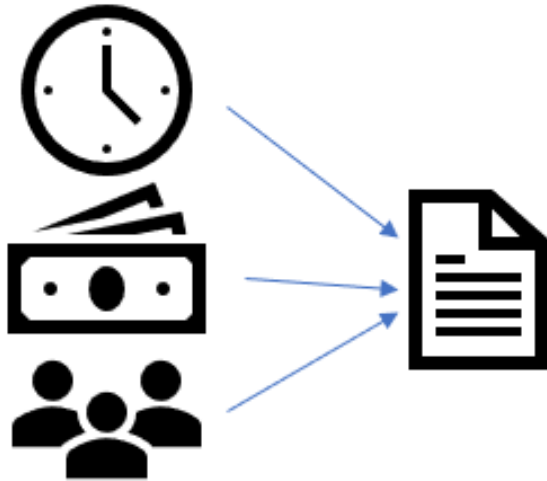
Annual public reports



Annual audits



Administrative cap



No consistent
assessment of the
feasibility of
commitments made to
voters.



TheCityisnotalways
clearwhen
communicating
commitmentsto
voters.

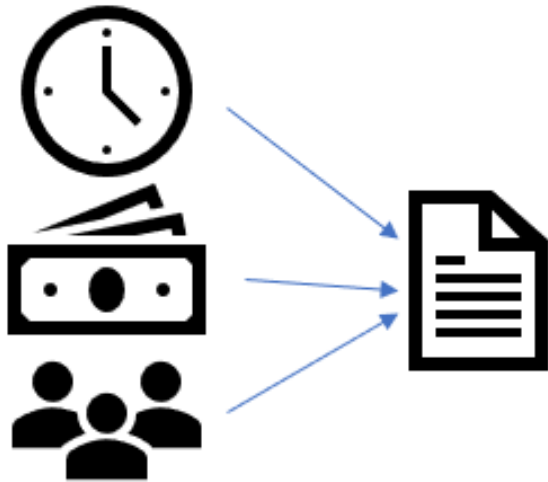


Portland's form of government can disconnect program implementation from commitments made to voters.



No central and
consistent monitoring
to help ensure that
accountability
measures are
established and
consistent with what
was promised.

City Council should:



Direct bureau to assess the administrative burdens and costs to implement planned accountability measures to ensure they are feasible.



Make commitments in the
ballot title and explanatory
statement to voters that are
specific, measurable,
achievable, realistic, and
when appropriate, time -
bound.



Specify the position or
body responsible for
monitoring
accountability
commitments.

Accountability measures often promised to voters:

Good practices to consider for future ballot measures:



Commitments about what new resources would be used for

Commitments made to voters should be specific, measurable, achievable, realistic and when appropriate, time-bound.

Programs funded with voter approved taxes and bonds should reflect commitments made to voters.



Oversight

Public committees are not always the best way to provide oversight. The City should consider the advantages and disadvantages when promising public involvement in program oversight.



Annual public reports

The promise of an annual report implies the release of a report each year, regardless if there is progress. Annual reports should inform the reader about how the City is doing compared to what was promised.



Annual audits

The City must determine what it wants from a review or audit, describe this in the fiscal impact statement, and write language for the ballot that appropriately conveys how it plans to fulfill the commitment.



Administrative cap

The City needs to assess the administrative burdens and costs to deliver all aspects of a program, including accountability measures, and make commitments to voters that are realistic and achievable.

City Council Briefing



For copies of the reports, go to the
Audit Services Division webpage at:

www.portlandoregon.gov/auditservices