

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Celia Heron		2. Telephone No. 823-4080	3. Bureau/Office/Dept. OMF
4a. To be filed (hearing date): August 6, 2014	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: 7/23/2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Adopt and amend the City Comprehensive Financial Management Policies and Procedures.
(Resolution)

2) Purpose of the Proposed Legislation:

This legislation adopts and amends existing City comprehensive financial management policies and procedures based on recommended industry standards. The updated policies and procedures were developed jointly by the Office of Management and Finance and the City Budget Office to reflect current City practices and City Council direction with regard to a number of financial management activities. These formal policies were created to guide decision making, support long-term planning, maintain assets and infrastructure, promote collaboration, ensure the legal use of resources, and promote sound financial management within the City.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This legislation will not directly generate or reduce current or future revenue coming to the City. The adoption of financial management policies and procedures will have broadly-defined long-term impacts on City revenue.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

There are no anticipated costs to the City as a result of this legislation. The Resolution will have broadly-defined long-term impacts on City expenditures based on the adopted financial management policies and procedures.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?

No.

- Will positions be created or eliminated in *future years* as a result of this legislation?

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

No community involvement was included in the development of this Council item because the Resolution was developed to reflect current City practices and City Council direction with regard to financial management.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary for this Council item.

Fred Miller, CAO

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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DATE: July 23, 2014

TO: Mayor Charlie Hales

FROM: Fred Miller, Chief Administrative Officer

TITLE: Adopt and amend the City Comprehensive Financial Management Policies and Procedures.
(Resolution)

1. **INTENDED THURSDAY FILING DATE:** 7/31/2014
2. **REQUESTED COUNCIL AGENDA DATE:** 8/6/2014
3. **CONTACT NAME & NUMBER:** Celia Heron, 503-823-4080
4. **PLACE ON:** ☐ CONSENT ☐ REGULAR ☒ TIME CERTAIN @ 2:00
5. **FINANCIAL IMPACT & PUBLIC INVOLVEMENT STATEMENT ATTACHED:**
☒ Y ☐ N
6. **(2) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ Yes ☐ No ☒ N/A

7. BACKGROUND/ANALYSIS

The City's comprehensive financial management policies (CFMP) are adopted as administrative rules FIN 2.01- 2.16. These policies establish Council intent and direction to bureaus in their financial management practices. Best practice dictates a frequent review of these policies to ensure they continue to be appropriate and address City Council priorities and the practices of the bureaus. The last time most of these policies were reviewed, revised and adopted by Council was in 2008. Proposed amendments to CFMP were vetted during a Citywide review and comment process.

8. FINANCIAL IMPACT

There is no direct financial impact in amending and adopting the City financial policies and procedures. However the policies as implemented will have significant short- and long-term impacts on the City's resources and expenditures. Keeping the City's financial policies current and reflecting best practice is a key component of the City's reputation for strong financial management and a contributor to our long history of Aaa bond ratings.

9. RECOMMENDATION/ACTION REQUESTED

The CAO recommends that Council adopt the resolution to amend the financial policies and procedures.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

Amendment to Item #827, Exhibit A**FIN 2.07 Reserve Funds**

On page 19, under the conditions for use of the Countercyclical Reserve, remove "growth in" from condition #3.

3. Year-over-year ~~growth in~~ metro area employment has fallen by at least 2% at any time in the last 12 months.