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## 37635

Resolution

### Ensure an effective, efficient transition to Portland's new form of government by establishing a coordinated high-level reporting structure for city bureaus, offices and key functions

Adopted

Amended by Council

WHEREAS, in November 2022, Portlanders passed Measure 26-228 and changed the City of Portland's government in three primary ways:

- Allowed voters to rank candidates in order of the voter's preference using ranked-choice voting.
- Establish four geographic districts, with three city council members elected to represent each district – expanding city council to a total of 12 members.
- Establish a city council that focuses on setting policy and engaging with community, transitioning day-to-day oversight of bureaus to a mayor elected citywide and a professional city administrator; and

WHEREAS, effective January 1, 2025, Measure 26-228 changed the roles and responsibilities of the mayor and the newly expanded council; and

WHEREAS, council is currently comprised of the mayor and four commissioners, who together exercise all legislative and executive power conferred on the city, including budget authority and individual executive oversight over bureaus, office and key functions assigned to council members by the mayor; and

WHEREAS, in the new form of government, bureaus, offices and key functions will be managed by a professional city administrator rather than individual council members; and

WHEREAS, the transition to a new form of government requires and provides an opportunity for the city to reimagine its high-level organizational structure to improve service delivery for city employees and all Portlanders; and

WHEREAS, in February 2023, council directed the existing chief administrative officer (CAO) to implement Measure 26-228, including establishing a project schedule and strategy for budget management, resource allocation, and funding (Resolution No. 37609); and

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance](#)

Contact

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**Requested Agenda Type**

Time Certain

**Date and Time Information**

**Requested Council Date**

November 1, 2023

**Requested Start Time**

2:00 pm

**Time Requested**

3 hours

WHEREAS, since April 2023, service area teams – including bureau leadership and council offices – have worked to recommend a new organizational structure that groups bureaus and offices to report to a city administrator, elevates key functions, and relocates programs to maximize their support; and

WHEREAS, as directed, the CAO has proposed an organizational structure, attached as Exhibit A, based on feedback from the service area teams, city employees and Portlanders; and

WHEREAS, the proposal advances the City's core values by creating equity, engagement and communications officers directly under the city administrator; creating deputy city administrators to ensure citywide standards and practices; grouping budget and finance functions together; and increasing transparency and accountability around city functions; and

WHEREAS, implementing the proposal will be a significant technical and cultural effort, requiring changes to systems and ways of working together; and

WHEREAS, adoption of the proposed organizational structure approximately fourteen months before the new form of government is effective will allow the city, led by the CAO and a Technical Implementation Team, to execute the proposal in a thoughtful, effective way while simultaneously continuing work on urgent citywide needs; and

WHEREAS, Portland Parks & Recreation is the largest operational natural area and tree service provider for the City of Portland. With almost 8,000 acres of natural areas and 1.2 million park trees under its management; 245 full-time permanent staff, 200 seasonal staff; 12 land management and urban forestry maintenance and operations facilities; about \$59 million in annual funding; and the City's largest natural resource community engagement and community stewardship programs; Portland Parks & Recreation has successfully found a balance of protecting the environment and urban forest and connecting Portlanders to nature. Public safety in natural areas is the primary responsibility of Park Rangers, and one our of greatest threats is an urban wildfire, Portland Parks Rangers, Portland Fire & Rescue and PP&R Land Stewardship work together to mitigate urban wildfire threats; and

WHEREAS, Portlanders and environmental advocacy stakeholders have repeatedly demanded that the City of Portland prioritize nature in our city, clean rivers and streams, a healthy urban forest and connecting Portlanders to nature. This is not an effort to let certain bureaus invest less in natural resources, but to the contrary, the proposal will ensure the City of Portland is more effective, more efficient, and more coordinated with investments, and all resources will be managed for accountability to the community and the City Council; and

WHEREAS, Portland Parks & Recreation, renowned as the City's second-largest patron of the arts, already offers a broad array of programs that honor cultural diversity across various Portland communities. Collaboration is not just about pooling resources; it's about enhancing the impact of each

art program, leveraging the City's extensive parks infrastructure to its full potential. It's about intensifying the impact and presence of arts programs, making them an indelible part of the city's heartbeat, ensuring cultural endeavors are not just supported but are celebrated across Portland; and

WHEREAS, Partnership with the Portland Children's Levy introduces in a transformative era of opportunity to enrich the City's educational landscape. By working together with PCL, the Office of Arts & Culture can fine-tune grant programs that inspire local organizations and schools to create and adopt arts education initiatives. Through synergies with PCL, the Arts and Education Access Fund will be better equipped to foster capacity-building efforts for educators, artists, and community groups engaged in providing arts education programs; and

WHEREAS, unifying the service area as a collaborative powerhouse, the Office of Arts and Culture, Portland Parks and Recreation, and the Portland Children's Levy will break new ground, cultivating a lively cultural ecosystem where the arts flourish as the pulsating core of Portland's community life; and

WHEREAS Portlanders expect the existing city council to continue to administer the city effectively until the new form of government becomes effective on January 1, 2025; and

WHEREAS it is essential that the City continue to be focused on the multitude of challenges facing the city, including public safety, drugs, shelter, and housing and that in order to address such challenges, the mayor and each commissioner must be able to pursue such efforts without disruption from CAO.

NOW, THEREFORE, BE IT RESOLVED that the CAO is directed to work cooperatively with city bureaus and offices to implement the organizational structure in Exhibit A and as further explained in the attached Exhibit B (Recommended Changes to the City of Portland's Organizational Structure Background and Summary Report); and

BE IT FURTHER RESOLVED that the CAO will submit to the council for its consideration draft code amendments necessary to ensure City systems – financial, human resources, and otherwise – align with the new organizational structure; and

BE IT FURTHER RESOLVED, add Citywide Operational Natural Area and Tree Management to the service area with Parks & Recreation and the Portland Children's Levy. As part of the FY 2024-25 Budget, all City bureaus should align natural area and tree management positions, funding, and services to an "Operational Natural Area and Tree Management Unit" with Parks & Recreation, not including the Bull Run Watershed management; and

BE IT FURTHER RESOLVED, the Council expresses their understanding that the Mayor and Commissioners should be the commissioners in charge of the following Service Areas beginning July 1, 2024 through December 31, 2024,

consistent with charter authorities and subject to the Mayor's intent to maintain authority over the Police Bureau:

- Budget & Finance – Ted Wheeler
- City Operations – Ted Wheeler
- Community & Economic Development – Carmen Rubio
- Public Safety – Rene Gonzalez
- Vibrant Communities – Dan Ryan
- Public Works – Mingus Mapps

Nothing precludes the Mayor or Commissioners from initiating streamlining, integration, or other development of their respective Service Area prior to July 1, 2024.

The Mayor and each Commissioner-in-Charge may designate a deputy (each a "Designated Deputy") to administer their respective Service Areas, to report to their respective Commissioner-in-Charge and designate such administrative responsibilities as such Commissioner-in-Charge deems fit in their sole discretion. Such delegation is revocable at any time.

Each Designated Deputy shall cooperate and support the CAO in planning for operation of the new form of government effective January 1, 2025; and

BE IT FURTHER RESOLVED, nothing in this resolution constitutes a delegation of authority by commissioners to the CAO or interim City Administrator and commissioners reserve all legislative and executive power set forth in the city charter, including budget authority and individual executive oversight over bureaus, office and key functions, and

BE IT FURTHER RESOLVED, in the event an Interim City Administrator is hired before January 1, 2025, Council directs that a member of each Council member's staff will be involved in the hiring process; and

BE IT FURTHER RESOLVED, the City Charter affirms the authority of Commissioners-in-Charge related to executive and legislative powers, including oversight of assigned responsibilities until January 1, 2025. In addition, City Council recognizes that a transition period related to roles and responsibilities is needed. Before July 1, 2024, the Mayor's office shall lead a discussion with Commissioners-in-Charge regarding roles and responsibilities, particularly related to budget and policy, that will inform how Commissioners-in-Charge, and any interim City Administrator or deputies work together for the final six months of 2024; and

BE IT FURTHER RESOLVED, the organizational chart, as it relates to the service areas and interim Deputy City Administrators, shall become effective on July 1, 2024. Adoption of the organization chart does not constitute budget authorization or approval for positions set-forth in the organization chart; and

BE IT FURTHER RESOLVED that the CAO is instructed to identify and report to council conflicts between ongoing city work and implementation of the new organization structure authorized; and

BE IT FURTHER RESOLVED that the CAO and the project sponsor of the Technical Implementation Team are authorized to act on the Team's steering and technical committee's recommendations, as well as to assemble and direct the resources with the Budget & Finance and City Operations service areas necessary to implement organizational change; and

BE IT FURTHER RESOLVED that the Budget Office is hereby directed to organize the 24/25 budget in alignment with the new organization chart; and






BE IT FURTHER RESOLVED that the CAO will, with the cooperation of bureau directors and others as needed, identify, and align program and reporting structures within and across the Budget & Finance and City Operations service areas to enable budgeting and technical implementation; and

BE IT FURTHER RESOLVED that council offices will work in good faith to support and the new form of government effectiveness on January 1, 2025, and shall manage their respective Service Areas accordingly; and

BE IT FURTHER RESOLVED that the CAO will, with the cooperation of bureau directors and others as needed, identify and report to council recommendations on the appropriate distribution of resources to advance citywide equity, communications, and engagement; and

BE IT FURTHER RESOLVED that the CAO will report to council on progress made to implement the organizational structure and the progress of Charter reform implementation on a monthly basis.

## Documents and Exhibits

 <a href="https://www.portland.gov/sites/default/files/council-documents/2023/2025-graphic-final-amended-exhibit-a-clerk-edits.pdf">Exhibit A - As Amended</a>	1.24 MB
<a href="https://www.portland.gov/sites/default/files/council-documents/2023/2025-graphic-final-amended-exhibit-a-clerk-edits.pdf">(https://www.portland.gov/sites/default/files/council-documents/2023/2025-graphic-final-amended-exhibit-a-clerk-edits.pdf)</a>	
 <a href="https://www.portland.gov/sites/default/files/council-documents/2023/final-city-org-rec-exhibit-b-report-11.1.23.pdf">Exhibit B</a> ( <a href="https://www.portland.gov/sites/default/files/council-documents/2023/final-city-org-rec-exhibit-b-report-11.1.23.pdf">https://www.portland.gov/sites/default/files/council-documents/2023/final-city-org-rec-exhibit-b-report-11.1.23.pdf</a> )	1.11 MB
 <a href="https://www.portland.gov/sites/default/files/council-documents/2023/council-memo-organizational-financial-options-revised_exhibit-c.pdf">Memo to Council</a>	186.93 KB
<a href="https://www.portland.gov/sites/default/files/council-documents/2023/council-memo-organizational-financial-options-revised_exhibit-c.pdf">(https://www.portland.gov/sites/default/files/council-documents/2023/council-memo-organizational-financial-options-revised_exhibit-c.pdf)</a>	
 <a href="https://www.portland.gov/sites/default/files/council-documents/2023/item-926-amendments-approved-by-council-failed-withdrawn.pdf">Amendments Approved by Council, Failed Motions, and Withdrawn Motions</a>	156.03 KB
<a href="https://www.portland.gov/sites/default/files/council-documents/2023/item-926-amendments-approved-by-council-failed-withdrawn.pdf">(https://www.portland.gov/sites/default/files/council-documents/2023/item-926-amendments-approved-by-council-failed-withdrawn.pdf)</a>	
 <a href="https://www.portland.gov/sites/default/files/council-documents/2023/item-926-resolution-with-approved-amendments-strikethrough-underline.pdf">Amended Resolution - Strikethrough / Underline Version</a>	110.75 KB
<a href="https://www.portland.gov/sites/default/files/council-documents/2023/item-926-resolution-with-approved-amendments-strikethrough-underline.pdf">(https://www.portland.gov/sites/default/files/council-documents/2023/item-926-resolution-with-approved-amendments-strikethrough-underline.pdf)</a>	

## Impact Statement

### Purpose of Proposed Legislation and Background Information

In November 2022, Portland voters approved a ballot measure to adopt a new mayor-council structure effective January 2025, along with several other changes to our city government. The new form of government will include a professional city administrator who, working closely with the mayor, will lead city bureaus.

In February 2023, council adopted [Resolution 37609](https://www.portland.gov/council/documents/resolution/adopted/37609) (<https://www.portland.gov/council/documents/resolution/adopted/37609>) and directed the City's chief administrative officer (CAO) to work with bureau leaders and council offices to propose a recommended organizational structure in fall 2023, ahead of the Fiscal Year 2024-2025 budget development process. That organizational recommendation is reflected in this resolution.

To prepare for the transition to a new form of government, the recommended organizational structure will provide a strong foundation for successful city operations and ongoing development into a more effective organization. The recommendation is based on organizational, community, and employee needs and was developed after extensive consultation with council members and their staffs, and bureau leadership.

The recommended organizational structure is organized around the charter-required city administrator position, groups of bureaus in service areas with a common focus, establishes deputy city administrators (DCAs) to lead the service areas, and elevates equity to the executive office. Establishing an organization that can be reasonably managed is critical to recruiting for the first city administrator. The recommended organizational structure sets the city administrator up for success by establishing a base structure with reasonable spans of control, rational groupings of bureaus, and a leadership team with shared accountability for citywide goals and values.

At the highest level, the recommendation responds to community and employee priorities around elevating our work to be more unified citywide, standardizing city policies and processes, and aligning bureaus with similar missions, nexus, and focus.

After the council approves a new organizational structure, the CAO will submit to any necessary legislation to ensure city systems align with the new organizational structure as needed.

### Financial and Budgetary Impacts

This resolution does not directly change appropriation but has fiscal impacts. The fiscal impacts of the resolution that are discussed are those that are directly related to the implementation of the voter-approved Measure 26-228, which changed the City of Portland's election system and form of government.

The organizational chart presented in this resolution also includes several key priorities for Council that were not included in the fiscal impact analysis, including permitting and Portland Solutions. Those programs may have fiscal impacts of their own, which will be discussed during the annual budget development process. The scope of this fiscal impact analysis focuses on recommended changes to the City's organizational structure to implement the charter amendments. This analysis also does not assume fiscal impacts of organizing the bureaus into service areas, beyond the addition of DCAs. There may be future changes related to the service areas programming, but currently there is not enough information to analyze the fiscal impact of any potential future and undefined changes related to the service area groupings.

The costs discussed below are the estimated total ongoing (annual) costs of the new organizational structure and do not account for existing budget allocations that may be realigned or reallocated to fund those costs, except for council and the mayor's office. As a result, these estimates do not reflect the actual impact to the budget, nor do they imply that additional new appropriation would necessarily be required to fund all of these changes.

The City Budget Office will bring more detailed cost estimates, including the funding gap between current budgets for these items and future needs, to council during a work session on October 31, 2023.

All estimates are of ongoing costs shown in millions of FY2023-24 dollars.

#### ***Elected Offices & Operational Support***

- *City Council*: The total cost estimate for the new council is roughly \$8.4 million ongoing for all staff including council members paid at the salary approved by the salary commission, internal, and external services. This estimate does not include any one-time costs related to facilities, transition, or the current council. These costs also exclude the costs related to district offices and to council operations however, council operations is listed under the city administrator, below. They do include internal materials and services costs for business operations, technology services, and security.
- *Mayor's Office*: Total costs are expected to be roughly \$2.6 million ongoing for staff, internal, and external services. Multiple options were considered that would maintain the total costs of the new council and the mayor's office within the current appropriation for council and the mayor's office.
- *Auditor's Office*: Total costs are estimated to be roughly \$1.5 million ongoing for staff, internal, and external services. These costs support 6 staff members and \$0.4 million of external materials and services costs for voter education and managing the elections and business for the expanded city council.

#### ***City Administrator's Office and Leadership Team***

- *City Administrator position*: Total costs are estimated to be roughly \$0.8 million for the full costs of the position, plus an administrative specialist, and associated internal and external services costs.
- *Council Operations*: Total costs are estimated to be roughly \$2.2 million for an assumed four district staff, six shared committee staff plus internal and external services costs.
- *Assistant City Administrator*: Total costs are estimated to be roughly \$0.3 million for the full costs of the position and associated internal and external services costs.
- *Centralized Business Operations for the City Administrator's Office*: The Budget & Finance Service Area will provide budget development, monitoring, reporting, personnel and purchasing support for the mayor, city council, and most programs within the City Administrator organization, Budget & Finance Service Area and City Operations Service Area. This estimate includes \$1.6 million and six staff, including a \$633k realignment of Interagency funding to General Fund Overhead Funding.
- *Citywide Communications*: Total costs are estimated to be roughly \$1.6 million for 7 staff and associated internal and external services costs. This includes the proposed communications officer position.
- *Equity Officer position*: Total costs are estimated to be roughly \$0.4 million for the full costs of the position and associated internal and external services costs.
- *Engagement Officer*: Total costs are estimated to be roughly \$0.3 million for the full costs of the position and associated internal and external services costs. The remainder of the proposed Community Relations program is assumed to be substantially similar to current programs in Community and Civic Life and are therefore not listed here.
- *Deputy City Administrators*: Total costs are estimated to be roughly \$4.1 million for 6 deputy city administrator positions, 6 administrative specialists, and associated internal and external services costs.

Currently, \$10.9 million is covered using the existing appropriations for city council and the mayor's office. To implement the new organizational chart, the City Budget Office anticipates the proposal to require an additional \$13.0 million. Options for funding those costs, including reallocating existing resources, will be shared during the October 31 council work session. The total annual estimated costs of the elements of the organizational chart that were included in this costing are \$23.9 million. The CAO's recommendation is responsive to the FY 2023/24 budget note on council staffing.

## Community Impacts and Community Involvement

The City of Portland serves people across our diverse communities and from every corner of the city. We have heard from community a desire for a more coordinated, accountable, accessible, responsive, and equitable government.

The recommended organizational structure, as part of the larger Charter Transition project as shown in Exhibit B, is foundational to implementing the voter-approved charter amendments to change the form of government and



add a city administrator to city leadership. Responding to the community's desire for a more responsive and accountable government, the recommended organizational structure is designed to break down silos through clustering bureaus in service areas, providing a centralized and coordinated management team led by a city administrator and their deputies, and elevating equity to the executive office.

The City of Portland is committed to creating and implementing policies, practices, and procedures that center equity in the services and support we provide to communities. We recognize that advancing equity with this recommended organizational structure does not happen in isolation and occurs in a broader context of interconnected work related to the City's transition. To inform both the draft and final organizational recommendations, the team used an equity tool, built based on community and employee feedback and the City's core values, to hold ourselves accountable and guide decision-making in an equity-forward manner. The project's commitment to equity does not end with the adoption of an organizational structure. Rather, the project team will center equitable outcomes for Portlanders as we move through implementation.

The project relied on community outcomes as established in four existing and rigorously collected data sets to inform the draft organizational chart: City audits of bureaus and programs from 2020-2023, recommendations from the Ombudsman's Office from 2017-2023, public comment received by the Portland Charter Commission from 2020-2022, and the results of citywide community surveys (Portland Insights Survey and Portland Engagement Project from 2022-2023). While not a scientific study, the Community Outcomes Report represents the views more than 5,000 Portlanders who spoke six different languages and from all areas of the city.

That draft recommended organizational structure was then shared on September 12 and community and employee feedback was collected and considered through October 5. Feedback received after October 5 was shared directly with council.

The transition team held two listening sessions, one prior to the release of the draft to provide an overview of the project and one after the draft organizational chart to explain the elements of the new structure and the priorities represented. This second event was also recorded so that Portlanders could watch on their own schedule and provide comments. Additionally, in response to questions about the future of the neighborhood structure, the project participated in a listening session with Mayor Wheeler's office and Community and Civic Life focused on Portland Solutions and the future of Community and Civic Life. Comments focused on the content of the organizational chart as well as on the timing of the hearing. Feedback received in the sessions, as well as in writing were considered when developing the final recommendation from the CAO to council.

We anticipate testimony from community members who both support and have questions about the recommended organizational structure.

## 100% Renewable Goal

This project does not directly impact our achievement of the 100% renewable goal, although a new organizational structure will reduce existing barriers to developing comprehensive citywide policies. Additionally, the changes to the form of government provide clear executive and administrative roles for policy implementation.

## Budget Office Financial Impact Analysis

Please see the Financial and Budgetary Impacts section above, since the City Budget Office prepared the analysis there.

## Agenda Items

926 Time Certain in [November 1, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/11/1)  
(<https://www.portland.gov/council/agenda/2023/11/1>)

Adopted As Amended

Motion to move Wheeler Amendment 1 related to the Impact Reduction Program: Moved by Wheeler and seconded by Mapps. (Y-4; Gonzalez absent)

Motion to move Wheeler Amendment 2 related to the Community Board for Police Accountability and the Office of Community-based Police Accountability: Moved by Wheeler and seconded by Gonzalez. (Y-5)

Motion to move Rubio Amendment 1 to move the Chief Sustainability Officer to report directly to the City Administrator in the organizational chart: Moved by Rubio and seconded by Gonzalez. (Y-5)

Motion to move Rubio Amendment 2 to update Exhibit A to combine "Permitting" and "Development Services" into one line to read "Permitting and Development Services": Moved by Rubio and seconded by Ryan. (Y-5)

Motion to move Mapps Amendment 1 related to managing Portland's Natural Resources: Moved by Mapps and seconded by Gonzalez. (Y-Mapps; N-Rubio, Ryan, Gonzalez, Wheeler) Motion failed.

Motion to move Ryan Amendment 1 related to Citywide Operational Natural Area and Tree Management Unit in the Parks and Recreation Service Area: Moved by Ryan and seconded by Gonzalez. Y-Rubio, Ryan, Gonzalez; N-Mapps, Wheeler

Motion to move Ryan and Gonzalez Amendment 1 related to renaming service areas: Moved by Gonzalez and seconded by Ryan. (Y-Mapps, Ryan, Gonzalez, Wheeler; N-Rubio)

Motion to move Ryan Amendment 2 related to moving Arts to a new service area: Moved by Ryan and seconded by Gonzalez. (Y-Rubio, Ryan, Gonzalez, Wheeler; N-Mapps)

Motion to move Gonzalez Amendment 1 related to service management: Moved by Gonzalez and seconded by Mapps. (Y-Mapps, Rubio, Ryan, Gonzalez; N-Wheeler)

Motion to move Gonzalez Amendment 2 related to reservation of authority: Moved by Gonzalez and seconded by Ryan. (Y-Mapps, Rubio, Ryan, Gonzalez; N-Wheeler)

Motion to move Ryan Amendment 3 related to approval of Interim City Administrator: Moved by Ryan and seconded by Gonzalez. (Y-Rubio, Ryan, Gonzalez; N-Mapps, Wheeler)

Motion to move Gonzalez Amendment 3 related to transition of authority for Council: Moved by Gonzalez and seconded by Ryan. (Y-Mapps, Rubio, Ryan, Gonzalez; N-Wheeler)

Motion to move Gonzalez Amendment 4 related to organizational chart effective date: Moved by Gonzalez and seconded by Ryan. (Y-5)

Motion to move Gonzalez Amendment 5 related to the authority of the Chief Administrative Officer: Moved by Gonzalez and seconded by Ryan. (Y-Rubio, Ryan, Gonzalez; N-Mapps, Wheeler)

Motion to move Ryan Amendment 4 related to Council Chambers and workspace construction: Moved by Ryan and Gonzalez. Motion withdrawn.

No vote called.

Motion to move Ryan Amendment 5 related to authority to change proposed organizational structure during the upcoming budget process: Moved by Ryan and seconded by Gonzalez. (Y-Ryan, Gonzalez; N-Mapps, Rubio, Wheeler) Motion failed.

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Mayor Ted Wheeler Nay