

12/12/12
FRITZ

Amendments to Exhibit A, Code:

Chapter 3.16 City Budget Office.

3.16.010. Organization. The City Budget Office shall be under the direction and control of the City Budget Director and shall include such other employees as Council may provide. The City Budget Director shall report to the Mayor. The City Budget Director shall serve and perform the duties of the City's budget officer, as defined in Oregon Revised Statutes, or shall name a designee to perform these duties. The City Budget Office is responsible for:

- A. Coordinating development and administration of the City's budget, including capital budgeting and the development of budget and policy recommendations for all City bureaus and funds;
- B. Financial planning and operational review of the City's utilities, including administration and maintenance of an independent utility review function that provides City Council with an annual review of utility rates, operations, and economic impacts;
- C. Long range financial forecasting for the City's funds, including oversight of the General Fund;
- D. Preparing General Fund Five-Year Forecasts at least twice each fiscal year. The General Fund Five-Year Forecasts shall be released and made publicly available on or before December 31st and on or before April 30th;
- E. Collaborating with the Office of Management and Finance on the development of financial forecasts and providing forecasting information to the Chief Administrative Officer when requested;
- F. Monitoring expenditures and revenues for the City and all Bureaus and providing this information to Commissioners and the Chief Administrative Officer when requested;
- G. Developing and analyzing financial policy and performance measurement systems and providing this information to Commissioners and the Chief Administrative Officer when requested;
- H. Providing Council with financial information that informs the City's negotiation deliberations on ~~of~~ collective bargaining agreements, and assisting the Bureau of Human Resources with the costing of collective bargaining agreements;
- I. Performing other duties as assigned.

3.15.040 Bureau of Financial Services.

DC. Public Finance and Treasury Division shall be supervised by the City Treasurer, who shall report to the CFO. The Treasurer shall have those authorities and responsibilities as described in PCC Chapter 3.08. Debt Management within the Public Finance and Treasury Division, shall be supervised by the Debt Manager who shall report to the City Treasurer. Debt Management is responsible for managing the City's debt program to ensure access to capital markets including long- and short-term capital financing programs, providing expert advice to City bureaus and officers regarding placement of debt and capital financing issues, and performing other duties as assigned. The Debt Manager is responsible for assuring that sales or leasing agreements entered into by the City comply with applicable Federal tax exemption regulations for funding and financing. The Public Finance and Treasury Division shall administer grants.

Ordinance:

Emergency Clause

The Council declares that an emergency exists since the 2013-14 budget process has already begun, and the City Budget Office needs to be in place as quickly as possible.

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

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Tim Crail	2. Telephone No. 3-3988	3. Bureau/Office/Dept. Commissioner Fritz
4a. To be filed (date): November 29, 2012	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 FPD Budget Analyst: N/A
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:

Establish independent City Budget Office (Ordinance; amend Code Sections 3.15.010 and 3.15.040; add Chapter 3.16).

2) Purpose of the Proposed Legislation:

This ordinance moves the existing Financial Planning Division into a new City Budget Office (CBO) under the direction of a City Budget Director. The CBO will continue to provide the Mayor and Council with budget and policy analysis, as well as develop and monitor City budgets.

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 | | | |
| <input checked="" type="checkbox"/> Internal City Government Services | | | |

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 ordinance will not impact City revenue.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution

or match required. If there is a project estimate, please identify the level of confidence.)

The ordinance does not directly require any new General Fund resources. It asks the CBO to return in 45 days with an implementation plan for the new office. It is likely that the implementation plan will include multiple options, at least one of which will be cost neutral to the General Fund. Other options may have additional one-time or ongoing costs, and Council will have an opportunity at that time to determine if they wish to fund those costs.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

The ordinance creates the new position of City Budget Director, which will be assumed by the existing Financial Planning Manager; the FPD manager position will no longer exist. The ordinance also calls for a review by Human Resources to determine appropriate classifications for the new office. The implementation plan selected by Council will determine whether any positions are created or eliminated.

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

It is expected that any position creations or eliminations will take place in FY 2012-13.

(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]

AMENDED --- PUBLIC INVOLVEMENT (12/12/12)

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.

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

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

There are no immediate direct impacts on the community because it addresses the internal workings of the City government. This proposal has the potential for positively impacts for the community through better, more transparent budgeting in the future.

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?

The proposal was put on the Council Agenda with the intent of publicizing it and soliciting public input on October 13. The hearing was postponed to allow for more community outreach and feedback. The concept was outlined at the African American Chamber After Hours November event and at a North Northeast Business Association training, and discussed with leaders of the Portland Business Alliance. A presentation was made to the Small Business Advisory Committee in November. The Chief Administrative Officer made many suggestions that informed and improved the current proposal. Mayor-elect Hales was kept updated throughout the process since November 6.

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

The Ordinance and Code language have been amended to strengthen and clarify directives for the new Office and the way it will collaborate with the Office of Management and Finance. The Auditor is now included in Elected Officials having direct access to information from the new Office. Responsibility for addressing equity in the budget process was added. Identification of utility rate expert positions and hiring for these positions was removed, pending review of all bureaus and the entire budget process under Mayor Hales. Additional findings and directives were added, particularly related to business needs. Clarity on the process for revising the citywide Budget Advisory Committee in collaboration with the Public Involvement Advisory Council was added. Additional support has been voiced urging the Ordinance to move forward at this time.

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

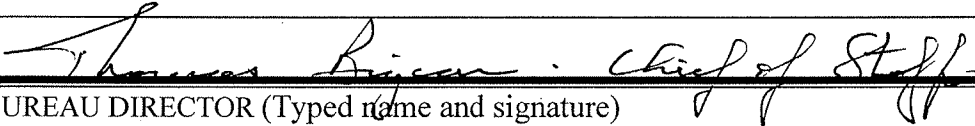
Commissioner Fritz

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

Tim Crail
Policy Advisor to Commissioner Fritz
503-823-3988
Tim.Crail@portlandoregon.gov

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

Future public involvement will be necessary if Council makes any changes to the budgeting process itself (versus internal administrative/organizational changes about how the budget is put together).


BUREAU DIRECTOR (Typed name and signature)