



December 16, 2008

TO: Portlanders

FROM: Mayor-Elect Sam Adams
City Commissioner Nick Fish
City Commissioner-Elect Amanda Fritz
City Commissioner Randy Leonard
City Commissioner Dan Saltzman
Auditor Gary Blackmer

RE: Improving "The City that Works"

As cities across the nation struggle in times of economic hardship, we are blessed here at home in Portland to be in comparatively strong financial shape. You, the citizenry, have a history of ensuring your council makes prudent decisions.

We, however, are not without significant challenges that demand our attention right now. We must invoke the pride we rightly feel in our accomplishments to ensure we act with the foresight and fortitude necessary to address these challenges.

Within every challenge lies opportunity. Now is our time to build upon the City of Portland's successes with an intensified focus in key areas through strategic planning, structural reform, and establishment of clear roles for each elected leader. The purpose of this memo is to outline the changes we will make as your city council in 2009.

STRATEGIC PLAN

A strategic plan articulates goals and processes necessary to achieve those goals with timelines. Currently the City of Portland lacks one; absent a strategic plan we tend to prioritize decisions and investments based on instinct as much as facts. This will change when we complete and adopt the Portland Plan. The Portland Plan will be our strategic plan.

In order to adopt the Portland Plan, we need first to establish a baseline that assesses our current performance. Understanding our performance today will inform the goals we assign ourselves in the Portland Plan as well as routes and investments needed to achieve those goals.

The Portland Plan should also earn us greater return on taxpayer investment across all levels of government that allocate resources to serve Portlanders. The springboard of facts the Portland Plan will yield can direct in a more timely and focused way investments from the city, county, regional, state and federal branches of government.

BUREAU BASELINE REPORTS

In concert with a baseline of citywide performance, each of our bureaus shall complete a bureau baseline report. The report shall assess each program and service as outlined in Attachment A, which includes the template for the Bureau Baseline Reports along with instructions.

Upon completion, the Bureau Baseline Reports will allow us to:

- Mark the starting point to improve the quality, efficiency and effectiveness of all city operations;
- Provide oversight of assigned bureau programs and services and in a more informed manner;
- Improve the public's understanding of individual City programs and services; and
- Identify revenue needs.

Bureau Baseline Reports are due to Andrew Scott, OMF Interim Financial Planning Manager, by 5:00 pm Monday, February 20, 2009.

Beginning in January 2010 we would like to add a neighborhood-by-neighborhood equity analysis to the Bureau Baselines in conjunction with the Portland Plan initiative.

SERVICE AND PROGRAM IMPROVEMENT WORKPLANS

Based on the completed bureau baseline reports we want to identify needed improvements in program and service quality, efficiency and effectiveness by establishing four-year Service and Program Improvement Workplans.

Our intention is to hold a mid-year check-in on bureau progress towards meeting goals outlined in the Service and Program Improvement Workplans.

In conjunction with completing bureau budget requests, each of us will work with the Bureau Budget Advisory Committees/Labor, Management and Stakeholder Committees to propose a Service and Program Improvement Workplan.

Service and Program Improvement Workplans are due to Andrew Scott, OMF Interim Financial Planning Manager, by 5:00 pm Monday, February 20, 2009.

SERVICE EFFORTS AND ACCOMPLISHMENTS REPORTS

The city auditor will use the annual Service Efforts and Accomplishments Report to track our performance against the Portland Plan upon its completion. In other words, it will track what we do against what we said we would do.

We have asked the auditor to augment the current list of comparator cities in the SEA Report to include “best in class” cities from around the globe. This will ensure we know how well Portland performs against not only similarly-situated cities but also cities with inspiring characteristics, e.g. the share of transportation trips made by bicycle in Copenhagen, Amsterdam, Stockholm, Vancouver, BC, etc.

BUDGET PROCESS REFORMS

For the fiscal year 2009-2010 budget, city council is changing the way bureaus prepare and submit their requested budgets to increase transparency and better facilitate council decision-making. Bureaus will take the following steps as they develop their budget submissions:

1. Identify bureau programs and services including administrative costs;
2. Rank those programs and services on two scales: core mission and community priority; and
3. Convene a bureau Budget Advisory Committee (BAC) comprised of management, labor, and internal and external stakeholders that will review and comment on the bureau’s efforts on each of the above steps.

While we are in better financial shape than most cities, we are facing a sobering five-year financial forecast due to the economic downturn. As noted above, bureaus will need to make budget reductions for FY 2009-10, with a focus on eliminating or reducing services and programs that are not core to the bureau mission or high community priorities. We recognize programmatic cuts or staff reductions are never easy to make, but we believe they may be necessary in light of the global economic downturn.

A Citywide Budget Process Design Committee has been meeting to discuss the details of the upcoming budget process. The committee, comprised of selected

bureau directors, labor leaders, council executives, and outside stakeholders, will continue to meet throughout the budget process in order to provide guidance and advice to the mayor and council.

STRUCTURAL REFORMS

The city council proposes the following structural reforms to improve performance.

1. Establish the Bureau of Sustainable Planning & Development

The Office of Sustainable Development has pioneered many performance improvements for public and private benefit. The rest of the nation and world has caught on; sustainability offices are now commonplace in most cities.

By merging the Office of Sustainable Development with our highly regarded Bureau of Planning, Portland will reassert its global leadership by ensuring sustainability principles are at the core of everything we plan and do. In turn, this union will strengthen our business plan to aggressively position Portland as the global epicenter of sustainable practices and commerce.

2. Sharpen our Housing Assistance Efforts with a Refocused Bureau of Housing and Portland Development Commission

Portland has one of the most aggressive housing assistance programs in the nation. We lack, however, sufficient focus to help our customers transition effectively from housing assistance to self-sufficiency. We have also long lacked clarity about the role of the Portland Development Commission in our housing strategies.

Council proposes to establish a Bureau of Housing with a sharpened focus on affordable housing strategies. Efforts within the Portland Development Commission to assist with affordable housing development and operations would be shifted to the Bureau of Housing. All programs and efforts beyond the scope of housing development and operations, including workforce training and community development, would be moved to the Portland Development Commission.

In short, the new Bureau of Housing will be in charge of housing while the Portland Development Commission will be in charge of economic development. The ensuing clarity of roles will produce greater efficiencies and better return on taxpayer investment.

3. Establish the Office of Healthy Working Rivers

Many years ago the City established its River Renaissance program in the Bureau of Planning when long-range planning was our foremost Willamette River priority. With long-range planning and assessment largely completed, the focus now must shift to implementation and results.

Highly complex, multi-jurisdictional challenges now stand between our aspirations and our accomplishments. Council proposes to establish an independent Office of Healthy Working Rivers, staffed with proven leadership from the Bureau of Environmental Services and the Bureau of Planning, with three core responsibilities:

- Ensure the City meets both its obligations and intentions in the Superfund cleanup process;
- Protect and restore the ecological, transportation, and recreational values of the Columbia and Willamette Rivers; and
- Rehabilitate contaminated, inactive properties to the tax rolls with prosperous working harbor opportunities, and support river-dependent jobs.

4. Consolidate All Permitting into the Bureau of Development Services

Currently as many as seven different city bureaus may take part in the review of a request for permits to develop. The end result, unsurprisingly, is an inadequately slow processing time. Council takes pains to acknowledge the good work its employees currently do to ensure plans meet substantive goals in a timely way. Notwithstanding our best efforts, however, we must acknowledge our decentralized review system is unduly slow. The efficiencies Portlanders need will be achieved through permit review centralization.

Some may be concerned that substantive city goals related to the environment, minority/women-owned emerging small business contracting, and our public infrastructure may be overlooked in the name of expedited permit processing. Council remains committed to these goals and will establish an oversight committee within the Bureau of Development Services comprised of diverse high-level bureau employees to ensure our substantive goals are met in a timely way.

5. Improve Delivery of Direct Services to Customers with a “One Stop” Service Center

Building on the efficiencies to be gained from permit consolidation, council will study the feasibility of providing a “one stop” customer service center where all services City government provides directly to individuals or businesses will be available in one physical location.

Currently individuals or businesses are sometimes forced to travel to various locations throughout the city to meet basic city requirements. This is a result of many factors, but results in difficulties for customers. The one-stop center will correct this problem by housing all direct service needs in one place.

Additionally, city council will engage its colleagues in county, regional, state and federal governments to partner with the city to expand the scope of the one-stop center so that direct services provided by all governments will be available in one location.

SPECIFIC ROLES FOR EACH ELECTED OFFICIAL

As we work to improve the City’s performance, Mayor-Elect Adams distributes management responsibilities to each council member per his responsibility as articulated in the city charter. Unless the mayor determines otherwise, bureau assignments will be in place from January 1, 2009 to December 31, 2010. At that time, the mayor, after consultation with his council colleagues, will assess the balance of workloads among commissioners and make changes as needed.

**Portfolio of Sam Adams
Commissioner of Finance and Administration**

Portland Office of Emergency Management
Office of Management and Finance
Office of Government Relations
Office of City Attorney
Portland Development Commission
Bureau of Planning & Sustainable Development
Bureau of Transportation

**Portfolio of Amanda Fritz
Commissioner of Public Utilities
Position Number 1**

Office of Human Relations
Bureau of Emergency Communications
Office of Healthy Working Rivers
Office of Neighborhood Involvement
Office of Cable Communications and Franchise Management

Special Projects:

Bureau of Human Resources: City Employee Wellness Program

Special Appropriation: KidsCare Children's Health Plan
Portland Disability Commission

**Portfolio of Nick Fish
Commissioner of Public Works
Position Number 2**

Bureau of Housing
Portland Parks & Recreation

Special Projects:

Bureau of Purchases: Contracting Disparity Study
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**Portfolio of Dan Saltzman
Commissioner of Public Affairs
Position Number 3**

Bureau of Environmental Services
Bureau of Fire and Police Disability and Retirement
Bureau of Police

**Portfolio of Randy Leonard
Commissioner of Public Safety
Position Number 4**

Bureau of Development Services
Bureau of Hydropower
Bureau of Water
Portland Fire & Rescue

Special Projects:

Bureau of Technology Services: Public Safety Systems Revitalization Project

**Portfolio of Gary Blackmer
Auditor of the City of Portland**

Assessments and Liens
Audit Services
City Elections
City Recorder
Archives
Contracts and Disbursements
Council Clerk
Records Management
Hearings Officers
IPR - Independent Police Review
Ombudsman
Portland Multnomah Progress Board