



CITY OF PORTLAND

Office of City Auditor LaVonne Griffin-Valade

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Summary of FY 2013-14 Auditor's Office Budget Advisory Committee

BAC Community Members:

Alando Simpson, City of Roses Disposal & Recycling Inc.

Brian Evans, Metro Auditor's Office

Brian Wilson, Kalberer Co.

BAC Auditor's Office Members:

Dan Schmidt, Assessments, Finance & Foreclosure

Gayla Jennings, Council Clerk/Contracts and Ombudsman programs

The Auditor's Office coordinated two Budget Advisory Committee (BAC) meetings from December to January. The short duration of the BAC process and small number of meetings were the result of the extremely compressed budget timeline this year. The BAC consisted of five members including three community members, one manager, and one represented employee.

In the first meeting, the BAC discussed the Auditor's Office functions and purpose, reviewed budget guidance, and clarified the role and process of the BAC. The committee heard about internal and external constraints facing the City as a whole as well as the Auditor's Office specifically. Topics included recent and historical issues, events, and concerns affecting programs and services, such as the DOJ agreement and increasing demand on the Ombudsman's resources. During the conversation, the BAC inquired about specific budget line items and data regarding trends in program services, and noted the disparate requirements and functions of the various office divisions as set out in City Code and Charter.

Given the compressed budget timeline, the BAC was updated between meetings about additional guidance and technical budgetary changes affecting the Auditor's Office budget. During this time the committee was also tasked with completion of the program ranking exercise. At the last meeting, the BAC discussed the results of the program ranking exercise (results listed below), followed by general budget discussion.

Regarding the BAC process, members of the committee had the following comments:

- As a result of this year's unconventional budget process, availability of information and the timeline for meaningful conversation are concerning to BAC members.

- Regarding the program ranking exercise:
 - The rankings are an imperfect reflection of BAC priorities due to the fact that programs and services have disparate functions and are difficult to compare.
 - As a means to give some structure to the discussion of equity, a ranking of equity considerations would be a useful addition to the discussion.

In additional budget discussions, the committee reviewed potential cut scenarios (10% of current allocation level, totaling about \$290,000). Options were considered in terms of the ramifications to Auditor's Office program goals and missions, capacity in various divisions, and the effect on providing equitable services to the public and important internal City services. Due to its critical mission of police oversight, there was discussion, but no consensus amongst the committee, on the effect of cuts to the Independent Police Review division. Finally, the BAC reviewed the potential effects of each proposed cut and weighed them against available alternatives and potential for add-backs.

The BAC was given a specific cut scenario and gave feedback on potential impacts. The scenario included the following cuts and assumptions:

- .5 FTE Management Auditor position cut in Audit Services personnel (\$50,632)
- External Materials and Services budget reduced, including funds for professional services, operating supplies, and staff training (\$45,000)
- 1.0 FTE Office Support Specialist II position (currently vacant) cut in the Council Clerk/Contracts division (\$69,961)
- Assumes \$52,000 in Hearings Office revenues and approximately \$74,000 in internal services cuts passed on from the Office of Management and Finance

All BAC members agreed the scenario was reasonable and in line with challenges the Office faces. The BAC noted in budget discussions that the divisions which have the most personnel, such as Audit Services and Council Clerk/Contracts could best absorb these cuts while maintaining mandated services.

Though the BAC agreed on the above scenario, the Auditor felt a deeper cut to the Audit Services Division's External Materials and Services budget totaling an additional \$50,000 was necessary to preserve staff and productivity in the division. Audit Services is ranked number one in its value to the community and as a core program by the BAC. Each member was contacted about this additional scenario and expressed no concerns. As each member on the committee agreed with the Auditor's general direction for the FY 2013-14 budget, there were no minority report submissions.

BAC Results from Program Ranking Exercise

PART I: Core Program

	Total	Rank
Audit Services	48	1
Archives and Records	45	2
Council Clerks/Contracts	44	3
Independent Police Review	41	4
Hearings Office	39	5
Ombudsman	38	6
Assessments, Finance & Foreclosure	33	7
Management Services	30	8

PART II: Value to the Community

	Total	Rank
Audit Services	47	1
Archives and Records	43	2
Council Clerk/Contracts	40*	3
Independent Police Review	40*	4
Ombudsman	40*	5
Hearings Office	39	6
Assessments, Finance & Foreclosure	33	7
Management Services	28	8

*Rank order for those programs tied for third under “Value to the Community” was determined by the order of scoring in the “Core Program” exercise.