



**City of
Portland, Oregon
Bureau of Development Services**

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MEMORANDUM

Date: November 24, 2009

From: Paul L. Scarlett, Director

To: BDS Budget Committee
BDS Labor Management Committee (LMC)
BDS Budget Advisory Committee (BAC)
Development Review Advisory Committee (DRAC)

Subject: BDS Budget Goals for Fiscal Year (FY) 2010-11

The development of the bureau's budget over the last several years has reflected the efforts of BDS staff and stakeholders working collaboratively to identify priorities for the continued improvements and success of our operations. The same approach will be used again this year.

The ongoing economic downturn has led to declines in construction projects and land use activities, contributing to reduced revenues and workload for BDS. Despite aggressive cost-saving measures, we have used most of our reserve fund and have reduced our staff by approximately one-half since June 2009. Current financial projections call for the reserve fund to be slowly rebuilt over the next few years, so it will be critical for annual budget requests to be structured in order to accomplish our longer-term financial goals. The budget request for Fiscal Year (FY) 2010-11 will thus be much smaller than requests from previous years, and will contain minimal to no add packages. However, we will closely monitor construction activity and our operation and make adjustments as needed.

At the same time, we have made great strides over the past several years in many of our programs and service delivery efforts, and we will make every effort to continue providing efficient and effective services with reduced resources. We will also pursue financial stability and will plan for future economic recovery.

The FY 2010-11 BDS budget request will support these goals by focusing on several key themes:

- Adequate staffing levels
- Cost savings / Program efficiencies
- Service Levels (benchmarks) and Service Delivery (process)
- Cost recovery
- Technology

Adequate Staffing Levels

The new economic realities we face will compel us to approach the staffing and rebuilding of the bureau in a different way. We will need to be more flexible in our staffing so we can be more responsive to changes in the development industry and the work coming in our doors.

Cost Savings / Program Efficiencies

The bureau will continue to examine cost saving measures and ways to make our programs and services more efficient, including looking at program structures, processes, innovation, and best practices.

Service Levels & Service Delivery

Given the reductions in our staffing levels, it is important to set service level goals (benchmarks) that both meet customers' needs and are achievable for the bureau. We also want to look at our service delivery to see if the way we provide services can be improved.

Cost Recovery

For several years, the bureau has struggled to reach full cost recovery for some of our services. In some cases, due to the nature of the service or the broader context in which the service is provided, full cost recovery will not be achievable. For other services, full cost recovery is an appropriate long-term goal. We have been working on cost recovery in some areas (for example, Environmental Soils) by implementing gradual increases in fees over several years, which is better for our customers. As always, we will seek to make changes in ways that have minimal impact upon our customers and stakeholders.

Technology

In this budget cycle, stronger emphasis will be placed on implementing new technologies to improve the efficiency and effectiveness of our services and to make information more broadly available. Projects currently in process include online permitting, electronic plan review, and web-based programs. We will be reviewing cost, available technology, and implementation timelines in order to respond to budgetary constraints and programmatic needs.

Due Date

The due date for the bureau's budget request is February 2, 2010. Thank you in advance for your participation and contribution in developing our FY 2009-10 budget!