

Willamette Week

City Memo Says Water District Threatens Tens of Millions in Financial Agreements

By Aaron Mesh

The water and sewer bills Portlanders pay do more than cover the cost of city utilities. Every year, the City of Portland's Water and Environmental Services bureaus divert millions of dollars into the city's budget to cover the cost of services and to help pay for the operations of other departments.

Money from utility bills into is fanned out into places as far-reaching as the mayor's office and Portland Fire & Rescue Bureau.

This year, \$73 million will be shared, spent or otherwise diverted from the water and sewer bureaus into other city budgets.

A city measure on the May 20 primary ballot would remove control of those bureaus from City Hall, creating a public utility run by an independently elected board.

And city officials are now sounding the alarm, warning that millions from the water and sewer bureaus that help fund other city services would be at risk.

An internal city memo written by a top Portland's financial analyst and obtained by WW says the city's budget could lose as much as \$43 million a year if voters approve the May ballot measure.

The memo, written to interim chief administrative officer Fred Miller by principal policy analyst Betsy Ames, says the city expects to receive \$73.6 million next fiscal year in financial agreements and overhead payments from the water and environmental services bureaus.

(Other bureaus return about \$30 million in utility payments to the Water and Environmental Services bureaus, for a net of \$43 million.)

The city's annual general fund budget is around \$390 million.

Miller writes those internal agreements "may or may not be impacted" if voters pass a ballot measure creating a public water district—handing all decisions on water and sewer spending to an independently elected board. The new public utility could decide to stop sending money to the city's budget.

For example, the ballot measure would bar the new public utility from using city attorneys and auditors. Next year, the water and sewer bureaus are expected to pay \$4.3 million to the City Attorney and City Auditor's office for overhead and services.

The end of financial agreements between the new public utility and the city could be an unintended consequence of approving the measure, blowing a large budget hole in city finances.

On the other hand, it may allow a new utility district a way to save money and slow or halt annual rate increases. Proponents of creating a new public utility have promised lower water and sewer rates if the bureaus are moved out from under city control.

Members of the City Council oppose the measure, and the internal city memo could be used to push the argument against voters approving it.

Mayor Charlie Hales' office this afternoon confirmed the authenticity of the memo.

"The document is real," says Hales' spokesman Dana Haynes, "and we absolutely cannot comment on it."

The Daily Journal of Commerce

City preps for faster permitting

By Jeff McDonald

For those in the building industry who believe that time is money, the city of Portland's new \$11.8 million Information Technology Advancement Project (ITAP) system will speed things up in every way, city officials say.

When the city's digital plan system launches in late 2015 or early 2016, the city's permitting, plan review and inspection processes will all be done electronically, said Rebecca Sponsel, capital projects manager, who is leading the project for the city's Bureau of Development Services.

"Everything from the application to getting certificate of occupancy for a commercial structure will be done digitally," Sponsel said. "It will allow people to interact with the city's development review process in a totally different way."

That means each step of the planning process will have greater efficiency – from requiring less paper from developers to faster response times on the planning side.

Essentially, paper plans will be replaced by an Internet browser, Sponsel said.

The city's new custom interface will integrate several key components, including ProjectDox, a software program that allows customers to submit plans electronically. Staff can then take those plans and review, mark and return them to applicants. Permitting and inspection processes also will be integrated into the system, Sponsel said.

TRANSFORMING EFFECT

If everything goes as planned, the changes will have a transforming effect on the building industry, said Jeff Fish, owner of Fish Construction NW Inc. He also is chairman of the Portland Development Review Advisory Committee, a group of citizens representing different aspects of the building industry.

Fish can imagine entering plans late at night before the permitting office opens rather than getting in his car and driving 10 miles across town to the BDS offices, he said.

"When an inspector logs his inspection in, I as a builder can find out a bit quicker," he said.

The electronic system also will save significant paper costs that can sometimes run into the thousands of dollars, Fish said.

When builders submit plans, they are required to turn in four sets, which are then dispersed to each of the different permitting agencies. Paper costs alone make that process expensive, but so does the time needed to send those four sets of plans out to anywhere from 8 to 12 different people who need to see them.

Under the electronic system, all of the plan reviewers will be able to see documents at the same time, Fish said. Any changes needed would result in plans being sent back to the appropriate reviewer.

"If there is a correction, it will go back to the first person," he said. "It will be more integrated that way. It should reduce the errors and get us through the process quicker."

An audit released last week showed a lack of consistency and documentation in how the planning bureau handles building permits. The audit also showed many bureau policies were not in line with city codes.

The new system should fix those problems, according to Sponsel. Designers are restructuring the system to make it work with 57 different permitting types in the city and connecting it with each of the city's bureaus.

The new “versioning” component on ProjectDox will allow plan reviewers to essentially create a master check sheet. It will allow applicants to see visually on the plans where they need to make corrections, Sponsel said.

“This is really what is transforming to us,” she said. “We have the permitting system, TRACS, but it’s not a digital plan review. Nobody has digital plan review embedded in it, but Portland’s will.”

The city isn’t eliminating paper entirely from the process. Sponsel was quick to point out that applicants who prefer the more traditional method will be still be able to use paper forms.

OREGON CITIES EMBRACE SYSTEM

Other cities have introduced digital systems, but not on par with what Portland is doing.

In Bend, the city introduced ProjectDox software in 2008. The system has served the city’s building department well, allowing the city to maintain work capacity during the recession with half the staff, said Melanie Paule, program manager for the Bend’s safety division. The system is solely used for the review process, tracking a project’s inspection history and fees. Applicants can apply electronically, but through email, she said.

Bend is going through an integration process to change its software, which could eventually make the system more interactive, Paule said.

“We want a storefront to apply through, but our software doesn’t support that,” she said.

In Gresham, the city’s Building Division also uses ProjectDox, but only for the building permit process. The system is called ePlan, said Sean Blaire, permit center supervisor for the city.

Under the system, reviews are done quicker and out-of-area applicants are able to submit plans from afar, he said.

One project, TriMet’s expansion of its Ruby Junction facility, the applicant submitted 458 files electronically. Under the old paper-based system, that would have meant submitting four or five sets that would have been routed to different departments, Blaire said.

“It’s just a greener way to go,” he said.