



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, January 28, 2010

Attendees:

DRAC Members Present:

Jeff Fish	Kathi Futornick	Don Geddes
Steve Heiteen	Rick Michaelson	Greg Theisen

City Staff Present:

Richard Appleyard, BDS	Charles Auch, BDS	Ross Caron, BDS
Cindy Dietz, Water	Rebecca Esau, BDS	Mark Feters, BDS
Elshad Hajiyev, BDS	Dave Hasson, Water	Denise Kleim, BDS
Hank McDonald, BDS	Jim Nicks, BDS	Kareen Perkins, BDS
Andy Peterson, BDS	Sara Petrocine, Comm. Leonard's Office	
Paul Scarlett, BDS	Riley Whitcomb, Parks	

DRAC Members Absent:

John Cisneros	Goudarz Eghtedari	Charlie Grist
Renee Loveland	Bonny McKnight	Ed McNamara
Michele Rudd	Carrie Schilling	Keith Skille
Simon Tomkinson		

Handouts

- BDS FY 2010-11 Budget Summary
- Projected Fee Increases & Revenue Growth Rates (2010 Financial Plan, Appendix B)
- Draft BDS Budget Advisory Committee (BAC) Report
- Recommendations from Budget Committees (BAC & BBC)
- Comparison of BDS Program Rankings
- Technology Recommendation
- Water Bureau Budget Presentation to DRAC

Convene Meeting

DRAC Chair Steve Heiteen convened the meeting, thanked members for attending this additional DRAC meeting, and invited members to review the meeting packet materials.

Technology Package Recommendation

BDS Restructuring Lead Hank McDonald distributed and reviewed the handout *Technology Recommendation* and described the proposed Technology Initiative. Commissioner Leonard wanted to have the DRAC review the proposal today, since the next DRAC meeting will be after the February 9th work session when City Council will review it.

One of the reasons BDS is pursuing this change now is that the current version of the bureau's permit tracking system (TRACS) is not web-based and the bureau does not have all of the system-functionality it now needs. The cost for the new system is estimated at \$5 million, including the costs for other bureaus that will use the system. BDS estimates that it should be able to recoup the cost of the investment within 10 years. The bureau currently spends \$200,000 - \$400,000 per year on microfilm/microfiche, which won't be required with the new system. Funding for the system is proposed to be separate from the BDS budget. City Council will need to decide how to fund the system.

DRAC members expressed support for the goals of the proposal, but expressed concerns that the recession will be going on for a while, and they don't want to see BDS make an investment in technology that can't be sustained. DRAC members also asked to see the costs and financing of the proposal laid out in a spreadsheet where it's calculated in detail.

In response to a request from Mr. McDonald, DRAC Member Kathi Futornick volunteered to attend the February 9th Council Work Session in support of the proposal.

BDS Budget Request Summary

BDS Administrative Services Manager Denise Kleim reviewed the handout *BDS Budget Request Summary*. The bureau is retaining about a dozen vacant positions, so they can be quickly filled if revenues are higher than projected. They won't be filled unless funding becomes available.

The Decision Packages (p. 6 of *BDS Budget Request Summary*) will be in the BDS budget request and will be presented to Council at the special work session on February 9th. If the Decision Packages are not approved, the bureau would need to take a good look at its programs and see what needs to be done; it would not necessarily mean further staff cuts.

DRAC members expressed strong support for additional General Fund support for Land Use Services and other programs that provide general benefit and that cannot be supported with permit revenues.

BDS Director Paul Scarlett said that the DRAC can help BDS in two ways: first, by sending a letter supporting the BDS budget request; and second, by attending BDS's meetings with City Council on February 9th (special work session) and March 31st (budget presentation). DRAC member Rick Michaelson volunteered to attend the February 9th work session and express support for BDS's request for more General Fund monies for programs with public benefit. DRAC member Jeff Fish moved to send a letter to Council in support of the BDS budget request, and to include the General Fund/permit revenue issue. The motion was seconded by Mr. Michaelson and was approved unanimously.

Fee Increases & Revenue Growth Projections

BDS Administrative Services Manager Denise Kleim reviewed the handout *Projected Fee Increases & Revenue Growth Rates*. The bureau's goal in projecting revenue, expenditures, and fee increases is to balance the Financial Plan to the reserve goal in the 5th year of the Plan. The fee increase numbers for 2010-11 aren't completely final, but they'll be close to what is in the handout.

DRAC members expressed concern about BDS pursuing fee increases during a recession. BDS Director Paul Scarlett observed that bureau programs were in good shape until the recession, but BDS has had to use up its reserve and needs the projected increases to get caught up and re-build the reserve. He also noted that the Building/Mechanical program has not had a fee increase for 5 years.

Water Bureau Budget Update

Water Bureau Finance Director Dave Hasson reviewed the handout *Water Bureau Budget Presentation to DRAC* and gave an overview of the Water Bureau's budget process and request. He noted that the application for variance to the EPA's LT2 (Long Term 2 Enhanced Surface Water Treatment) rule has been denied, meaning that Water will have to cover the reservoirs. The potential cost of the project is over \$300 million.

Like most bureaus, Water Bureau has to submit 4% budget cut. For Water, this equates to a reduction of 23 positions (17 staff, 6 vacancies), on top of the 30 positions that were cut last year.

Next DRAC Meeting: Thursday, February 11, 2010, 7:30-9:00 a.m.

Minutes prepared by Mark Feters, BDS