



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**  
**MINUTES**  
**Thursday, September 9, 2010**

**Attendees:**

**DRAC Members Present:**

Steve Heiteen	Renee Loveland	Ed McNamara
Rick Michaelson	Keith Skille	Greg Theisen
Simon Tomkinson		

**City Staff Present:**

Ross Caron, BDS	Rebecca Esau, BDS	Mark Feters, BDS
Darren Kipper, Water	Denise Kleim, BDS	Kurt Krueger, PBOT
Hank McDonald, BDS	Andy Peterson, BDS	Paul Scarlett, BDS
Bob Tomlinson, OMF	Sandra Wood, BPS	

**Guests Present:**

Sam Hagerman, Hammer & Hand	Karen Karlsson
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**DRAC Members Absent:**

Jeff Fish	Don Geddes	Bonny McKnight
Michele Rudd	Carrie Schilling	

**Handouts**

- DRAC Meeting Minutes 08.12.10
- Inter-Bureau Code Change Project List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Rate Report
- Memorandum: Proposed Changes to DRAC Positions
- DRAC 2010-11 Work Plan

## **Convene Meeting**

DRAC Chair Steve Heiteen convened the meeting and asked two new City staff attendees to introduce themselves: Sandra Wood from BPS and Bob Tomlinson from OMF. Mr. Tomlinson will be BDS's budget analyst for the next fiscal year.

## **Director's Report**

BDS Director Paul Scarlett gave an update on the bureau's financial status and service level changes. BDS continues to closely monitor the impacts of service level changes in the DSC and throughout the bureau.

## Title 18 Changes

At the August DRAC meeting Mike Liefeld from BDS reviewed proposed changes to Portland City Code (P.C.C.) Title 18 (Noise Control). The changes included housekeeping items to ensure consistency between the Noise Review Board and other BDS boards. The changes were reviewed and approved by City Council Wednesday, September 8<sup>th</sup>.

## Financial Update

Director Scarlett reviewed the handout *BDS Major Workload Parameters* and discussed current trends regarding BDS's workload and income. In response to a suggestion from the DRAC, a table showing BDS staffing levels has been added to the bottom of the handout.

This afternoon (Sept. 9<sup>th</sup>) the BDS Financial Advisory Committee will hold its first meeting. This committee was required by City Council in a budget note, with the task of reviewing BDS's financial projections and long-term planning. DRAC member Rick Michaelson will represent the DRAC on the new committee.

BDS Admin Manager Denise Kleim distributed and reviewed the handout *Non-Cumulative Cost Recovery Rate Report*. The numbers for June, July, and August are still preliminary because those months have not been closed yet. The bureau is much more in balance financially between costs and revenues, though revenues remain low.

DRAC member Simon Tomkinson asked about the valuation tables. The tables are updated by the International Code Conference every 6 months. Generally the values have shifted down over the last year, leading to an impact of less than 5% on bureau revenues. The valuation tables are used for new construction and additions; remodels are based on the value as stated by the applicant.

DRAC member Greg Theisen asked for more information regarding the reserve balance. Ms. Kleim said that the table shows that BDS ran down its reserve in FY 2009-10. In months showing negative reserve balances, BDS used money from the \$1.5 million loan. There are significant swings in expenditures and revenues from month to month depending on workload changes and how (and when) various services are billed and paid for. DRAC member Keith Skille asked if BDS pays back what it uses from the loan as it's used. Ms. Kleim replied that because the cost/revenue balance has improved, BDS has been able to keep the full balance of the loan available and put \$500,000 in reserves.

Mr. Tomkinson asked if BDS was seeing its workload begin to bottom out and increase. Director Scarlett said the bureau is exploring options for bringing back some staff on a temporary basis to handle the backlog in work. Ed McNamara asked if it would make more sense in the short run to pay overtime to existing staff rather than bring back staff. Director

Scarlett said that has been done some recently, but in the long run it doesn't help as much as bringing staff back. Renee Loveland asked if the bureau has a reserve goal in mind. BDS's overall reserve goal is 25%. Director Scarlett said that the minimal bureau reserve level is 10% of expenditures. In the short run, providing adequate service levels is a higher priority than trying to rebuild reserves to that level.

### **Proposed Changes to DRAC Positions**

Mr. Heiteen led a discussion on the handout *Memorandum: Proposed Changes to DRAC Positions*. DRAC members agreed to recommend the following changes to City Council:

- Change "Large Business" to "Large Developers"
- Change "Minority Construction Contractors" to "Minority Construction Contractors & Development Professionals"
- Change "Neighborhood Associations" to "Neighborhood Coalition Land Use Committees"
- Change "Advocate for Individual Customers" to "Frequent Development Review Customers"
- Change "Environmental Conservation" to "Environmental Conservation and Green Building"
- Change "Neighborhood Businesses" to "Small Businesses"
- Add "Public Works Permit Customers" (new category)

DRAC members discussed having financial experts (PDC, local economist, title company, commercial bank, state economist, public finance, real estate appraiser's board) come to DRAC every 4-6 months to give an update. DRAC members also proposed having representatives from other BDS review bodies come to DRAC periodically to present. DRAC members felt that "Transportation" was covered by the "Public Works Permit Customers" category, and felt that "Small Commercial Contractors" was covered by "Frequent Development Review Customers".

BDS will draft an ordinance for the changes and will send it to DRAC members to review.

### **Budget Preparation Process**

Ms. Kleim discussed the bureau's upcoming budget preparation process for FY 2011-12. The BDS Labor Management Committee (LMC) has decided to function as BDS's internal budget committee. BDS will also have a Budget Advisory Committee (BAC) again this year, composed of a mixture of outside stakeholders and BDS staff. The BAC will have several meetings from October - January. Steve Heiteen and Keith Skille volunteered to serve as DRAC representatives on the BAC again this year.

### **DRAC Work Plan Discussion**

In light of time constraints, further discussion on the DRAC Work Plan was tabled. Mr. Heiteen encouraged DRAC members to review the handout *DRAC 2009-10 Work Plan*, which has been updated since the August DRAC meeting.

### **Improvements to Development Services Center (DSC)**

BDS Manager Andy Peterson described improvements to services in the Development Services Center (DSC). Service levels have continued to drop over the last several months due to the low staffing levels. Changes are being made in the permit/land use intake processes to get customers through more quickly. They are also working on options for bringing staff back temporarily to expand capacity in the DSC and work through the pre-

issuance list more quickly. The bureau wants to get work out the door as quickly as possible so as to not hinder the development process, which may require greater expenditures in the near term.

Beginning today, a customer with anything related to land use can mail or drop off their application documents at First Screen rather than waiting through the lines in the DSC to see a planner. Customers who use this will receive a confirmation/response in the mail.

Guest Sam Hagerman (Hammer & Hand) proposed a streamlined process for applications where an architect has been involved or where a plan that has previously been approved is submitted for a different site. DRAC members responded that the concept of self-certification is under consideration by the DRAC. In addition, BDS currently offers streamlined plan review for plans that have been approved previously through its Master Permit program. Even if applicants don't use the program, BDS will try to streamline the plan review process if it's aware that a plan has been previously approved for a different site.

### **Other Business**

Mr. Heiteen said that DRAC Vice Chair Carrie Schilling has indicated that she will no longer be able to attend an early Thursday morning meeting, and asked if DRAC members and City staff would object to moving DRAC meetings either to another morning or to a later time on Thursdays. BDS will survey DRAC members via e-mail to see what days/times would work best.

Since a quorum was now present, DRAC members approved the August meeting minutes with two small changes – Greg Theisen and Renee Loveland were not at the August meeting (the meeting notes indicated that they were present).

**Next DRAC Meeting: Thursday, October 14, 2010, 7:30-9:00 a.m.**

Minutes prepared by Mark Feters, BDS